Manitoba
Finance

Financial Statements of Boards, Commissions and Government Agencies

of the
Province of Manitoba

for the Year Ended 31st March, 1985

Office of the Queen's Printer for the Province of Manitoba, 1985
WINNIPEG

GOVERNMENT OF THE PROVINCE OF MANITOBA

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MANITOBA
PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

TO THE SHAREHOLDER

A. E. MCKENZIE CO. LTD.

We have examined the consolidated balance sheet of A. E. MCKENZIE CO. LTD. (a Manitoba Crown Corporation) and subsidiaries as of October 31, 1984 and the related consolidated statements of operations, deficit and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the financial position of the companies as of October 31, 1984 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fred H. Jackson

Fred H. Jackson, C.A.,
Assistant Provincial Auditor.

Winnipeg, Manitoba.
December 21, 1984 (except with respect to the matter discussed in Note 12, as to which the date is January 11, 1985)

A. E. McKENZIE CO. LTD.

CONSOLIDATED BALANCE SHEETS—OCTOBER 31, 1984 AND 1983

ASSETS (Note 6)

	1984	1983
CURRENT ASSETS:		
Cash and term deposits	$ 853,322	$ 2,745
Accounts receivable (Note 5)	1,671,460	1,402,350
Inventory (Note 5)	3,880,940	4,972,151
Prepaid expenses	47,435	93,256
Total current assets	$ 6,453,157	$ 6,470,502
INVESTMENT	-	120,000
FIXED ASSETS (Note 2)	994,114	1,052,205
EQUIPMENT UNDER CAPITAL LEASE (Note 4)	277,349	-
OTHER ASSETS (Note 3)	303,533	653,356
	$ 8,028,153	$ 8,296,063

LIABILITIES AND SHAREHOLDERS' INVESTMENT

CURRENT LIABILITIES:		
Bank loans (Note 5)	$ -	$ 418,287
Accounts payable and accrued liabilities (Note 6)	3,213,792	3,219,886
Current portion of capital lease (Note 4)	48,606	-
Current portion of long-term debt (Note 6)	872,940	483,336
Total current liabilities	$ 4,135,338	$ 4,121,509
OBLIGATIONS UNDER CAPITAL LEASE (Note 4)	245,245	-
LONG-TERM DEBT (Note 6)	6,451,000	7,112,555
Total liabilities	$10,831,583	$11,234,064
SHAREHOLDERS' INVESTMENT:		
Share capital (Note 7)	$ 5,114,500	$ 5,114,500
Deficit	(7,917,930)	(8,052,501)
Total shareholders' investment	$(2,803,430)	$(2,938,001)
	$ 8,028,153	$ 8,296,063

The accompanying notes are an integral part of these Balance Sheets.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED OCTOBER 31, 1984 AND 1983

	1984	1983
NET SALES	$15,078,742	$15,645,646
COST OF SALES	7,974,292	9,151,141
GROSS PROFIT	$ 7,104,450	$ 6,494,505
EXPENSES:		
Selling, marketing and distribution	$ 4,607,945	$ 5,357,202
Administration	1,282,943	1,282,857
	$ 5,890,888	$ 6,640,059
	$ 1,213,562	$ (145,554)
OTHER INCOME	85,406	18,196
NET OPERATING INCOME (LOSS)	$ 1,298,968	$ (127,358)
INTEREST EXPENSE:		
Long-term (Note 6)	$ 991,810	$ 939,815
Short-term (Note 5)	141,303	195,356
Capital lease (Note 4)	31,284	--
	$ 1,164,397	$ 1,135,171
NET INCOME (LOSS) FOR THE YEAR	$ 134,571	$(1,262,529)

The accompanying notes are an integral part of these Statements.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF DEFICIT

FOR THE YEARS ENDED OCTOBER 31, 1984 AND 1983

	1984	1983
DEFICIT, Beginning of year	$(8,052,501)	$(6,789,972)
NET INCOME (LOSS) FOR THE YEAR	134,571	(1,262,529)
DEFICIT, End of year	$(7,917,930)	$(8,052,501)

The accompanying notes are an integral part of these Statements.

A. E. McKENZIE CO. LTD.

CONSOLIDATED STATEMENTS OF CHANGES IN FINANCIAL POSITION

FOR THE YEARS ENDED OCTOBER 31, 1984 AND 1983

	1984	1983
SOURCE OF FUNDS:		
Operations		
Net income (loss)	$ 134,571	$(1,262,529)
Depreciation	290,899	279,939
Amortization	314,576	199,980
Loss (gain) on sale of fixed asset	(2,467)	1,050
Loss on investment	-	49,000
Reduction of goodwill	42,739	-
	$ 780,318	$ (732,560)
Disposal of fixed assets	8,600	10,144
Disposal of investment in residence	120,000	-
Increase in long-term debt and obligations	245,245	184,500
Total source of funds	$ 1,154,163	$ (537,916)
USE OF FUNDS:		
Purchase of fixed assets	$ 189,997	$ 485,886
Purchase of equipment under capital lease	326,293	-
Design development costs	7,492	146,937
Reclassification and reduction of long term debt	661,555	508,336
Purchase of goodwill	-	150,100
Investment in residence	-	169,000
Total use of funds	$ 1,185,337	$ 1,460,259
Decrease in working capital	$ 31,174	$ 1,998,175
WORKING CAPITAL, beginning of year	2,348,993	4,347,168
WORKING CAPITAL, end of year	$ 2,317,819	$ 2,348,993
INCREASE (DECREASE) IN WORKING CAPITAL COMPONENTS:		
Cash and term deposits	$ 850,577	$ (379,163)
Accounts receivable	269,110	39,158
Inventory	(1,091,211)	(166,618)
Prepaid expenses	(45,821)	(84,014)
Bank loans	418,287	152,668
Accounts payable and accrued liabilities	6,094	(1,076,870)
Current portion of capital lease	(48,606)	-
Current portion of long-term debt	(389,604)	(483,336)
Decrease in working capital	$ 31,174	$ 1,998,175

The accompanying notes are an integral part of these Statements.

A. E. McKENZIE CO. LTD.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

OCTOBER 31, 1984 AND 1983

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the Company:

(a) Accounts Consolidated

These financial statements consolidate the accounts of A. E. McKenzie Co. Ltd. and the following wholly owned subsidiaries:

Steele Briggs Ltd.
McFayden Seeds Ltd.
Pike & Co. Ltd.
Canada Seeds Ltd.

(b) Inventory

Inventory is valued at the lower of cost or net realizable value. Cost of manufactured goods and work in process includes material, labor and plant overhead. Cost of finished packets is determined at average cost by variety. Cost for raw materials is determined at laid-down cost by specific item. Inventory purchased for resale and packaging and shipping materials are valued at average laid-down cost. Provision has been made for obsolescence, low germination and slow moving stocks.

(c) Depreciation - Fixed Assets

Depreciation of fixed assets is recorded on the straight line basis using the following rates:

Buildings	- 2%
Building renovations	- 10%
Equipment	- 10%
Leasehold improvements	- Term of Lease
Display stands and trays	- 20%
Equipment under capital lease	- 20%

(d) Amortization - Other Assets

Computer development costs are amortized on a straight line basis over five years.

Design development costs associated with new products are amortized on a straight line basis over five years. Unamortized design development costs for products discontinued are written-off completely in the year of discontinuation. In 1984 the net book value of discontinued product costs written-off totalled $140,476 (1983 - $31,065).

Goodwill is amortized on a straight line basis over 10 years.

(e) Translation of Foreign Currencies

Purchases of the Company denominated in foreign currency are translated into Canadian dollars using the exchange rate at the transaction date. The effects of exchange rate fluctuations between the transaction date and the settlement date are recorded as adjustments to income in the current year. At yearend, any amounts payable denominated in foreign currency are translated at the yearend exchange rate.

(f) Pension Cost

The Company maintains two fully funded pension plans for its employees.

Pension cost related to the cost-based plan are recorded based on the required contribution under the formula stated in the plan.

Pension cost related to the benefit-based plan are recorded based on the cost of pension entitlements accrued during the period. Revaluation adjustments are allocated against pension cost over the period which is expected to elapse before the next revaluation.

(g) Revenue Recognition

A substantial portion of the Company's sales are made on a guaranteed sale or consignment basis.

During the year the Company records all shipments as sales with a provision for returns based on historical experience.

As of the yearend date substantially all returns have been processed. For returns which have not been processed, the Company records a provision based on its actual returns for the year.

(h) Income Tax

The Company is owned by the Province of Manitoba and its agency, the Manitoba Development Corporation. It is therefore exempted from income tax.

2. FIXED ASSETS

	1984		1983	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Land	$ 30,971	$ -	$ 22,539	$ --
Buildings	1,449,205	973,084	1,349,773	915,179
Equipment	1,426,347	1,093,475	1,404,963	1,036,625
Leasehold Improvements	79,316	43,188	135,822	93,880
Trays	56,393	31,115	56,393	19,836
Display Stands	324,123	231,379	314,790	166,555
	$ 3,366,355	$ 2,372,241	$ 3,284,280	$ 2,232,075
Cost Less accumulated depreciation	$ 994,114		$ 1,052,205	

3. OTHER ASSETS

	1984		1983	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Development Costs				
- Design	$ 351,637	$ 191,797	$ 730,216	$ 289,848
- Computer	57,781	34,189	57,781	22,633
Goodwill	150,101	30,000	197,590	19,750
	$ 559,519	$ 255,986	$ 985,587	$ 332,231
Cost Less accumulated amortization	$ 303,533		$ 653,356	

4. LEASES

During the current year the Company purchased computer equipment under a capital lease for $326,293 which is being amortized over a 5 year period. The net book value is as follows:

	1984
Equipment under Capital Lease	$ 326,293
Accumulated Amortization	48,944
	$ 277,349

4. LEASES (continued)

The future minimum lease payments under capital and operating leases that have initial or remaining non-cancelable terms in excess of one year at October 31, 1984 are as follows:

	Capital Leases	Operating Leases
1985	$ 84,967	$202,418
1986	84,967	168,085
1987	84,967	125,887
1988	84,967	53,745
1989	56,645	-
Total Minimum Lease Payments	$396,513	$550,135
Less: Imputed Interest at 13.4%	102,662	
	$293,851	
Present Value of Obligations Under Capital Lease Due Within one Year	48,606	
Long Term Obligations Under Capital Lease	$245,245	

Aggregate rentals paid on operating leases for real estate, automobiles, computer software and other equipment for the year ended October 31, 1984 amounted to $384,576. (1983 - $594,287). The Company is responsible for all operating costs related to the above. The Company has also guaranteed certain minimum values for automobile leases.

5. BANK LOANS

The bank loans which are required from time to time are secured by inventory, accounts receivable and the assignment of the fire insurance policy. Bank loans bear interest at prime.

6. LONG-TERM DEBT

	1984	1983
Demand debenture, repayable in annual instalments of $350,000 plus interest quarterly at a floating rate equivalent to the long-term borrowing rate of the Province of Manitoba, maturing 2003	$7,000,000	$7,000,000
Promissory note, repayable in annual instalments of $63,000 plus interest at the Toronto-Dominion Bank prime lending rate, maturing 1988	248,940	436,391
Promissory note, repayable in semi-annual instalments of $30,000 including interest at the rate of 10.95%, maturing 1986	75,000	125,000
10% residential mortgage, repayable $349 monthly including interest.	-	34,500
	$7,323,940	$7,595,891
Current Portion	872,940	483,336
	$6,451,000	$7,112,555

The demand debenture held by the Manitoba Development Corporation is secured by a fixed and floating charge on all assets of the Company subject to prior security held by the bank.

The payment of the first $350,000 annual instalment of principal, which was due on June 1, 1984, and 1983 and 1984 interest accrued to October 31, 1984 of $1,155,068 included in accounts payable and accrued liabilities has been temporarily delayed by the Manitoba Development Corporation until negotiations concerning financial restructuring are completed. (See Note 12). Accrued interest payable at October 31, 1983 amounted to $525,373.

Principal payments due in the next five years for the Company's long-term debt described above are as follows:

1985 - $872,940
1986 - $438,000
1987 - $413,000
1988 - $350,000
1989 - $350,000

7. SHARE CAPITAL

Authorized

2,000	Class A common shares, maximum consideration $200,000	
5,000,000	Class B common shares, maximum consideration $5,000,000	
5,000,000	Preferred shares, non-voting, cumulative dividends at the rate of 6¢ per share per annum, redeemable, maximum consideration $5,000,000	
Issued		
1,145	Class A common shares	$ 114,500
5,000,000	Preferred shares	5,000,000
		$5,114,500

During 1983 the Company's charter was amended to increase its authorized share capital from $200,000 common shares to $10,200,000 as above. In 1983 preferred shares for $5,000,000 were issued to the Manitoba Development Corporation which holds an option to exchange the preferred shares for Class B common shares, exercisable on October 29, 1984 or any time thereafter.

The preferred shares are redeemable at $1 per share together with any dividends accrued thereon and unpaid. Dividends in arrears at October 31, 1984 were $600,000.

All of the issued common shares are owned by the Province of Manitoba.

8. ECONOMIC DEPENDENCE

The Company is economically dependent on the Manitoba Development Corporation, an agency of the Province of Manitoba, for financing the Company through long-term debt and Preferred Shares.

9. CONTINGENCIES

During 1983 a special audit was conducted by the Provincial Auditor into transactions between A. E. McKenzie Co. Ltd. and companies in which three senior officers were alleged to have had a beneficial interest. Subsequently, the three officers were discharged. The Company has commenced legal action to recover some amounts from the three officers but the amounts have not yet been determined.

9. CONTINGENCIES (continued)

The three companies involved were Vantage Western Data Ltd., a company leasing a computer to A. E. McKenzie Co. Ltd., Agassiz Packaging Ltd., a company doing merchandising business with A. E. McKenzie Co. Ltd., and Ten Eleven Ltd., a company which leased two buildings to A. E. McKenzie Co. Ltd.

All contracts and transactions with these companies were terminated in 1984.

10. LEGISLATIVE COMMITTEE INFORMATION

The following information is supplied in compliance with a request of the Standing Committee on Economic Development of the Manitoba Legislature dated May 26, 1983:

The annual borrowing cost to the government for the investment of $5,000,000 in preferred shares at the average 20 year long-term borrowing rate by the Province of 13.54% for the year ended October 31, 1984 (1983 - 12.59%):

	1984	1983	Total
Borrowing cost	$ 677,000	$ 629,500	$1,306,500
Preferred shares dividend in arrears	300,000	300,000	600,000
Amount in excess of the dividend	$ 377,000	$ 329,500	$ 706,500

11. RECLASSIFICATIONS

Certain balances in the prior year financial statements have been reclassified in order to conform with the current year presentation.

12. SUBSEQUENT EVENT

Subsequent to yearend, the Province of Manitoba and the Manitoba Development Corporation agreed to a financial restructuring of the Company. Under the restructuring, approximately $7,155,000 of principal and accrued interest on the debenture payable to the Manitoba Development Corporation will be converted into 6% non-cumulative Preferred Shares.

12. SUBSEQUENT EVENT (continued)

The October 31, 1984 financial statements do not reflect this financial restructuring. Pro-forma summary balance sheet of the Company as of October 31, 1984 incorporating the effects of the above restructuring is shown below:

ASSETS

CURRENT ASSETS	$ 6,453,000
FIXED AND OTHER ASSETS	1,575,000
	$ 8,028,000

LIABILITIES AND SHAREHOLDERS' INVESTMENT

CURRENT LIABILITIES	$ 2,280,000
LONG-TERM DEBT AND OBLIGATIONS	1,396,000
Total liabilities	$ 3,676,000
SHAREHOLDERS' INVESTMENT:	
Share capital	$12,270,000
Deficit	(7,918,000)
	$ 4,352,000
	$ 8,028,000

Manitoba

THE ALCOHOLISM FOUNDATION OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Alcoholism Foundation of Manitoba for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

June 7, 1985,
Winnipeg, Manitoba.

Exhibit A

THE ALCOHOLISM FOUNDATION OF MANITOBA
(Incorporated under the laws of Manitoba)

Balance Sheet as at March 31, 1985

A S S E T S

	1985	1984
Cash	$ 156,602	$ 249,132
Accounts receivable	57,336	61,854
Land and buildings, at cost (Note 1)	1,877,161	1,877,161
	$ 2,091,099	$ 2,188,147

L I A B I L I T I E S

Accounts payable and accrued liabilities	$ 126,490	$ 138,980

CAPITAL AND SURPLUS ACCOUNT

Capitalized land and buildings	1,877,161	1,877,161
Accumulated operating surplus, Exhibit B	87,448	172,006
	1,964,609	2,049,167
	$ 2,091,099	$ 2,188,147

Lease commitments (Note 2)

Exhibit B

THE ALCOHOLISM FOUNDATION OF MANITOBA

Statement of Revenue and Expenditure
Year Ended March 31, 1985

	1985	1984
Revenue		
Province of Manitoba operating grant	$ 8,985,100	$ 8,727,657
Other revenue	311,031	339,574
	9,296,131	9,067,231
Expenditure		
Grants to other agencies	2,073,950	2,013,799
Salaries	4,612,733	4,358,466
Wages and other assistance	532,909	661,327
Advertising and exhibits	17,963	13,380
Audio visual aids	52,066	23,756
Audit	3,413	5,025
Automobile	122,245	130,341
Board of Governors' honorarium	19,600	21,300
Books, newspapers and periodicals	15,718	16,768
Canada Pension Plan	61,271	58,397
Dental claims	26,190	25,620
Educational literature	55,979	91,779
Fees	107,185	112,243
Furnishings and equipment	106,033	103,334
Group life and accident insurance	19,569	16,337
Group long-term disability insurance	43,133	–
Health and post secondary education tax levy	77,506	74,692
Household requisites	54,644	58,012
Materials, repairs and maintenance	272,393	250,020
Medical services and supplies	32,122	14,127
Miscellaneous	13,921	16,570
Postage and telephone	119,634	112,230
Printing, stationery and office supplies	79,314	87,672
Property taxes	60,546	66,146
Rent and insurance	59,006	73,012
Research grants	26,010	12,200
Staff development	45,709	31,538
Subsistence	221,911	213,750
Superannuation	20,906	36,224
Training	39,926	48,610
Transportation of patients	12,741	9,957
Travel	114,730	152,483
Unemployment insurance	123,876	115,719
Utilities	135,837	126,689
	9,380,689	9,151,523
Excess of expenditure over revenue	84,558	84,292
Accumulated operating surplus, beginning of year	172,006	256,298
Accumulated operating surplus, end of year	$ 87,448	$ 172,006

Schedule 1

THE ALCOHOLISM FOUNDATION OF MANITOBA

Schedule of Cash Receipts and Disbursements
Year Ended March 31, 1985

	1985	1984
Cash receipts:		
Province of Manitoba operating grants	$ 8,985,100	$ 8,565,200
Other	314,299	340,141
	9,299,399	8,905,341
Cash disbursements, including grants to external agencies	9,391,929	9,000,340
Renovation of 1031 - 1041 Portage Avenue	-	214,534
	9,391,929	9,214,874
Excess of disbursements over receipts	92,530	309,533
Cash, beginning of year	249,132	558,665
Cash, end of year	$ 156,602	$ 249,132

THE ALCOHOLISM FOUNDATION OF MANITOBA

Notes to Financial Statements
Year Ended March 31, 1985

1. Accounting Policies

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles with the exception that pension charges are reflected as incurred (explained in note 4) and the costs of leasehold improvements, renovations, furniture, equipment and supplies are expensed in the year of purchase and there has been no provision made in the accounts for depreciation of buildings.

2. Lease Commitments

The Foundation leases buildings and vehicles under long-term operating leases which expire at various dates between 1986 and 1991. Some of these leases contain renewal options at rates to be negotiated. The following is a schedule by years of future minimum rental payments required under operating leases that have initial lease terms in excess of one year, as of March 31, 1985.

1986	$ 39,134
1987	27,160
1988	17,279
1989	4,000
1990	4,000
1991	3,333
	$ 94,906

3. Contingent Liability

In prior years, the Foundation was contingently liable under a guarantee of a bank loan for Main Street Project Inc. in the amount of $50,000. The bank loan has now been fully satisfied and the guarantee has been removed.

4. Pension

Employees of The Alcoholism Foundation of Manitoba are pensionable under the Civil Service Superannuation Fund and make contributions at prescribed rates. The Foundation is required to pay 50% of the Fund's pension disbursements made to retired employees and these are charged to superannuation expenditures as incurred. No provision is made in the accounts to fund current or past service costs but the Superannuation Fund is subject to a triennial actuarial review. On the basis of an actuarial report, the unfunded liability for the Foundation's employees amounted to $1,919,200 as at December 31, 1984 ($1,508,700 as at December 31, 1983).

B. K. PELL
CHARTERED ACCOUNTANT
WINNIPEG, CANADA

The Board
The Alonsa Conservation District No. 3
Alonsa, Manitoba

I have examined the balance sheet of The Alonsa Conservation District No. 3 as at 31 December 1984 and the statement of revenue and expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the District as at 31 December 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

B K Pell

Chartered Accountant

25 March 1985

THE ALONSA CONSERVATION DISTRICT NO.3

BALANCE SHEET

AS AT 31 DECEMBER 1984

	1984	1983
Assets		
Current Assets		
Bank and term deposit	40,011	32,078
Accounts receivable		
General	21	9,395
Conservation District Authority	758	340
	40,790	41,813
Fixed Assets		
Office equipment		
Cost less depreciation of $231 and $155	496	127
	41,286	41,940
Liabilities and Surplus		
Current Liability		
Conservation District Authority	10,576	21,351
Emergency reserve account	5,000	5,000
Surplus	25,710	15,589
	41,286	41,940

THE ALONSA CONSERVATION DISTRICT NO.3
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED 31 DECEMBER 1984

	1984	1983
Revenue	$	$
Province of Manitoba allocated grant	118,236	139,442
Municipal grant	26,103	26,189
Ducks Unlimited grant		20,812
Forage seed recoveries	9,373	17,580
Bank interest	2,027	1,612
Sundry	124	120
	155,863	205,755
Expenditure		
Projects		
Miscellaneous crossing repairs	12,280	5,792
Channel maintenance	1,784	6,459
Channel improvements	56,308	28,208
Structures and culverts		256
Channel construction or reconstruction		69,776
	70,372	110,491
Board, committee remuneration and expense	3,725	4,131
Other administration	7,992	6,762
Forage seed	62,498	68,902
Emergency reserve fund provision		1,000
Public education etc.	1,155	
	145,742	191,286
Excess of Revenue	10,121	14,469
Surplus		
Balance beginning of year	15,589	1,120
Balance end of year	25,710	15,589

THE ALONSA CONSERVATION DISTRICT NO.3

STATEMENT OF PROVINCIAL CONTRIBUTIONS

YEAR ENDED 31 DECEMBER 1984

		% Shareable		Share	
	Amount	Province	District	Province	District
Projects -	7,948	70	30	5,563	2,385
-	62,424	80	20	49,940	12,484
Board Administration -	10,298	75	25	7,723	2,575
Other Administration -	905	100		905	
-	514		100		514
Public education etc	1,155	85	15	982	173
Forage seed	62,498	85	15	53,123	9,375
	145,742			118,236	27,506

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1984

1) Except for payroll and incidental expenses the expenses of the District are paid from a bank of the Conservation District Authority, a Provincial Agency which pays accounts for five districts in all.

2) Until March 1980, when the District hired its own secretary-treasurer and occupied a rent free office on the premises of the L.G.D. of Alonsa, the Government of the Province of Manitoba provided without charge all the District's administrative and technical staff requirements, office equipment and head office space. Subsequently the Government provides only the engineering and technical staff requirements without charge.

Manitoba

BOARD OF ADMINISTRATION UNDER
THE EMBALMERS AND FUNERAL DIRECTORS ACT
REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibit A and B, of the Board of Administration under The Embalmers and Funeral Directors Act for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board of Administration under The Embalmers and Funeral Directors Act as at December 31, 1984 and the results of its operations for the year then ended, in accordance with the accounting policy described in Note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

September 28, 1985,
Winnipeg, Manitoba.

Exhibit A

BOARD OF ADMINISTRATION UNDER
THE EMBALMERS AND FUNERAL DIRECTORS ACT

Balance Sheet
as at December 31, 1984
(with 1983 figures for comparison)

	1984	1983
ASSETS		
Current assets:		
Cash on hand and in bank	$ 23,191	$ 15,156
Accounts receivable - licenses	1,725	6,840
- Province of Manitoba	605	708
- Other	900	-
	$ 26,421	$ 22,704
LIABILITIES		
Current liabilities:		
Accounts payable	$ 1,400	$ 2,233
	1,400	2,233
RETAINED EARNINGS		
Balance, beginning of year	20,471	18,011
Add: Revenue over expenditure for the year, Exhibit B	4,550	2,460
Balance, end of year	25,021	20,471
	$ 26,421	$ 22,704

Exhibit B

BOARD OF ADMINISTRATION UNDER THE EMBALMERS AND FUNERAL DIRECTORS ACT

Statement of Revenue and Expenditure for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Revenue:		
Licences:		
Funeral Homes	$ 6,000	$ 5,100
Funeral Directors	3,325	3,475
Embalmers	1,330	1,660
Agents	550	400
Permits	100	300
Articled student registration, courses and examination fees	6,950	8,500
Text book sales	-	148
Interest	1,309	458
	19,564	20,041
Expenditure:		
Accounting fees	360	420
Audit	1,175	1,400
Honoraria - board members	510	780
- acting registrar	1,000	1,000
Miscellaneous	486	394
Postage	311	34
Printing licenses	-	417
Travel - Board members	123	358
- Acting registrar	-	350
Courses and seminars - instruction, classrooms, texts	10,591	12,309
Board meetings	458	119
	15,014	17,581
Revenue over expenditure, Exhibit A	$ 4,550	$ 2,460

BOARD OF ADMINISTRATION UNDER
THE EMBALMERS AND FUNERAL DIRECTORS ACT

Notes to Financial Statements

1. Nature of the Board of Administration

The Embalmers and Funeral Directors Act established the Board of Administration. The Board licenses and regulates embalmers and funeral directors and prescribes the courses of training and instruction for articled students.

2. Accounting Policies

The Board of Administration uses the accrual basis of accounting, except for revenues and expenditures in the articled student programs which are recorded on a cash basis.

Manitoba

Office of the Provincial Auditor

BRANDON UNIVERSITY

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A - H and Schedules 1 - 6, of Brandon University for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

October 25, 1985,
Winnipeg, Manitoba.

STATEMENTS

Brandon University
Comparative Balance Sheet
as at March 31, 1985 and March 31, 1984

Statement A

ASSETS

	1985	1984
Current:		
Cash and bank		
General Operating	$ 89,732	$ 1,035,827
Trust Fund	1,242,942	99,812
Investments		
Trust Fund (notes 1B & 3)	862,557	1,799,159
Accounts receivable (note 11)		
General	522,798	536,275
Special	323,837	618,720
Bookstore inventory, at cost	129,382	128,484
Prepaid expenses	146,352	97,597
	3,317,600	4,315,874
Fixed: Schedule 1 (notes 1D and 2)		
Land and buildings	27,660,646	27,506,867
Furnishings and equipment	13,476,768	11,763,164
Zone Properties	298,681	546,043
Construction in progress	4,693,148	777,369
	46,129,243	40,593,443
	$49,446,843	$44,909,317

LIABILITIES & FUND BALANCES

	1985	1984
Current:		
Accounts payable and accrued liabilities	$ 1,757,541	$ 1,721,079
Deferred income	15,019	9,125
	1,772,560	1,730,204
Long-term:		
5 1/8% Mortgage, $41,608 principal and interest payable semi-annually July 1, 1985 - 2012	1,219,946	1,239,870
8 1/4% Mortgage, $66,686 principal and interest payable semi-annually April 1, 1985 - 2021	1,535,444	1,541,749
Zone Properties mortgages (notes 1E and 4)	28,496	32,799
	2,783,886	2,814,418
Fund Balances:		
General:		
Operating	512,247	118,211
Research and Special Projects (note 7)	399,529	681,894
Capital Purpose (note 8)	(1,276,281)	81,632
	(364,505)	881,737
Trust:		
Scholarship and Endowment	1,565,883	1,430,861
Brandon University Student Union	440,335	374,030
	2,006,218	1,804,891
	1,641,713	2,686,628
Investment in Fixed Assets	43,248,684	37,678,067
	$49,446,843	$44,909,317

BRANDON UNIVERSITY

Comparative Statement of General Fund Income and Expenditure for the years ended March 31, 1985 and March 31, 1984

Statement B

	Operating Fund Account		Research and Special Projects Fund Account
	1985	1984	1985
INCOME:			
Student Fees	$ 2,037,786	$ 1,906,060	$ 27,063
Grants:			
Universities Grants Commission	10,601,200	10,422,718	
Government of the Province of Manitoba	1,356,538	854,555	3,131,000
Government of Canada	70,000	70,000	
Other			348,901
City of Brandon	157,585	144,235	
Sponsored or assisted research			297,426
Scholarship and bursary donors			163,043
Ancillary enterprises	2,927,659	2,718,250	216,587
Miscellaneous	285,599	261,346	263,557
Total Income, Schedule 2	17,436,367	16,377,164	4,447,577
EXPENDITURE:			
Academic - general	7,668,299	7,409,184	467,003
Academic - specifically funded			3,632,265
Library	1,012,488	996,684	
Student services	765,577	873,418	163,043
Administration	665,000	642,538	
General support services and other general expenditures	1,710,401	1,305,456	251,044
Plant maintenance	2,362,815	2,316,371	
Ancillary enterprises	2,851,553	2,725,638	216,587
Total Expenditure, Schedule 3	17,036,133	16,269,289	4,729,942
Excess (Deficiency) of Income over Expenditure for the year	$ 400,234	$ 107,875	$ (282,365)

Research and Special Projects Fund Account	Capital Purpose Fund Account		Total March 31	Total March 31
1984	1985	1984	1985	1984
$ 24,969	$	$	$ 2,064,849	$ 1,931,029
	2,100,000		12,701,200	10,422,718
2,706,250	152,434	180,846	4,639,972	3,741,651
4,441	65,432	618,155	135,432	692,596
328,950	180,000		528,901	328,950
			157,585	144,235
577,232			297,426	577,232
201,874			163,043	201,874
216,587			3,144,246	2,934,837
328,418			549,156	589,764
4,388,721	2,497,866	799,001	24,381,810	21,564,886
445,445	3,855,779	717,369	11,991,081	8,571,998
3,038,968			3,632,265	3,038,968
			1,012,488	996,684
201,874			928,620	1,075,292
			665,000	642,538
330,976			1,961,445	1,636,432
			2,362,815	2,316,371
216,587			3,068,140	2,942,225
4,233,850	3,855,779	717,369	25,621,854	21,220,508
$ 154,871	$ (1,357,913)	$ 81,632	$ (1,240,044)	$ 344,378

Comparative Statement of Operating Fund Account for the years ended March 31, 1985 and March 31, 1984

Statement C

	1985	1984
Balance at beginning of year	$ 118,211	$ 9,561
Add:		
Excess of Income over Expenditure for the year, Statement B	400,234	107,875
Adjustment of prior years' operations, net	(6,198)	775
Balance at end of year, Statement A	$ 512,247	$ 118,211

Comparative Statement of Scholarship and Endowment Trust Fund Account for the years ended March 31, 1985 and March 31, 1984

Statement D

	1985	1984
Balance at beginning of year	$1,430,861	$1,428,704
Add:		
Contributions during the year	165,534	120,707
Income from investments (note 1B)	190,501	144,357
Adjustment to prior year	-	7,905
	356,035	272,969
Deduct:		
Scholarships, bursaries and awards	163,043	201,874
Transfer to General Fund	44,546	51,007
Management fees and administrative expenses	10,626	9,546
Sundry expenses	2,798	8,385
	221,013	270,812
Balance at end of year, Statement A and Schedule 6	$1,565,883	$1,430,861

Comparative Statement of Brandon University
Student Union Trust Fund Account
for the years ended March 31, 1985 and March 31, 1984

Statement E

	1985	1984
Balance at beginning of year	$374,030	$323,571
Add:		
Contributions during the year	20,000	20,000
Income from investments	46,305	30,459
	66,305	50,459
Balance at end of year, Statement A	$440,335	$374,030

Statement of Research and Special Projects Fund Account for the year ended March 31, 1985

Statement F

	Balance March 31, 1984
Research	
National Research Council	$ 23,650
Government of the Province of Manitoba	3,187
Government of Canada	186,479
Other	71,391
	284,707
Special Programs	
Brandon University Northern Teacher Education Program (B.U.N.T.E.P)	186,429
Program for the Education of Native Teachers (P.E.N.T.)	63,629
Brandon University Indian Leadership Development Program (B.U.I.L.D.)	70,520
	320,578
Scholarships, bursaries and awards transferred to the Operating Fund	-
Sundry Projects, net	25,769
Ancillary Enterprises	
Universities Grants Commission Mortgage payment	-
Expenditure recoverable included in accounts receivable	50,840
Balance as at March 31, 1984 and 1985, Statement A	$ 681,894

ANNUAL FINANCIAL REPORT

Income	Expenditure	Balance March 31, 1985
$ 103,259	$ 109,900	$ 17,009
45,562	48,531	218
96,450	236,954	45,975
52,155	71,618	51,928
297,426	467,003	115,130
3,131,000	3,210,014	107,415
375,964	370,662	68,931
-	51,589	18,931
3,506,964	3,632,265	195,277
163,043	163,043	-
257,688	251,044	32,413
216,587	216,587	-
5,869	-	56,709
$4,447,577	$4,729,942	$ 399,529

Comparative Statement of Capital Purpose Fund Account for the years ended March 31, 1985 and March 31, 1984

Statement G

	1985	1984
Balance at beginning of year	$ 81,632	$ -
Add (Deduct):		
Excess (Deficiency) of Income over Expenditure for the year, Statement B	(1,357,913)	81,632
Balance (Deficit) at end of year, Statement A	$(1,276,281)	$ 81,632

Comparative Statement of Investment in Fixed Assets for the years ended March 31, 1985 and March 31, 1984

Statement H

	1985	1984
Balance at beginning of year	$37,678,067	$37,384,327
Add:		
Charges to expenditure	1,143,516	902,698
Construction in progress	3,915,779	777,369
Appraisal adjustment (note 1D)	507,037	(1,376,364)
Net income from Zone Properties	8,588	9,505
Less:		
Mortgage repayment	(4,303)	(19,468)
	5,570,617	293,740
Balance at end of year, Statement A	$43,248,684	$37,678,067

SCHEDULES

Schedule 1 Fixed Assets

	Total March 31 1985	Total March 31 1984
Buildings:		
Administration and Clark Hall	$ 1,537,566	$ 1,528,852
Arts and Library building	1,736,749	1,726,906
Centennial Auditorium (note 2)	3,220,962	3,202,706
Cowan Hall	1,405,668	1,397,701
Drama building	226,349	225,066
Education building	2,128,561	2,116,497
Gymnasium	812,659	808,054
McMaster Hall	3,401,564	3,382,285
Jeff Umphrey Centre for Mental Retardation	525,817	522,836
J.R. Brodie Science Centre	6,765,724	6,727,378
Darrach Hall and Dining Hall	2,486,828	2,472,733
Music buildings	813,798	806,424
President's residence	133,327	132,572
Steam Plant	988,330	982,728
Temporary buildings	332,476	330,593
Utility services	385,920	385,341
Kinsmen Stadium	26,878	26,725
	26,929,176	26,775,397
Land and site development:		
Land	542,190	542,190
Site development	189,280	189,280
	731,470	731,470
Land and buildings	27,660,646	27,506,867
Furnishings and equipment	13,476,768	11,763,164
Zone Properties	298,681	546,043
Construction in progress	4,693,148	777,369
Fixed Assets, Statement A	$46,129,243	$40,593,443

Schedule 2 General Fund Income (page 1)

	Operating Fund Account	Research and Special Projects Fund Account
Student Fees:		
Regular Session	$ 1,598,301	$
Evening Session	111,135	
Summer Session	63,834	
Spring Session	55,008	
Music Conservatory	118,589	
Other	90,919	
Special Programs:		
Program for the Education of Native Teachers		27,063
	2,037,786	27,063
Grants:		
Universities Grants Commission:		
Operating	10,285,284	
Miscellaneous Capital	315,916	
Special		
	10,601,200	
Government of the Province of Manitoba:		
Grant in lieu of taxes	899,538	
Brandon University Northern Teacher Education Project		3,131,000
Telidon Project	457,000	
Program for the Education of Native Teachers		
NEED Program, School of Music Building		
	1,356,538	3,131,000
Government of Canada:		
Program for the Education of Native Teachers		
Department of Indian Affairs	70,000	
NEED Program, School of Music Building		
	70,000	
Carried forward	$14,065,524	$ 3,158,063

Capital Purpose Fund Account	Total March 31 1985	Total March 31 1984
$	$ 1,598,301	$ 1,479,618
	111,135	138,433
	63,834	43,457
	55,008	38,778
	118,589	109,292
	90,919	96,482
	27,063	24,969
	2,064,849	1,931,029
	10,285,284	9,961,570
	315,916	411,148
2,100,000	2,100,000	50,000
2,100,000	12,701,200	10,422,718
	899,538	854,555
	3,131,000	2,693,530
	457,000	-
	-	12,720
152,434	152,434	180,846
152,434	4,639,972	3,741,651
	-	4,441
	70,000	70,000
65,432	65,432	618,155
65,432	135,432	692,596
$ 2,317,866	$19,541,453	$16,787,994

Schedule 2 General Fund Income (page 2)

	Operating Fund Account	Research and Special Projects Fund Account
Brought forward	$14,065,524	$ 3,158,063
Grants, continued:		
Other:		
Program for the Education of Native Teachers		348,901
Brandon University Music Building		
		348,901
City of Brandon	157,585	
Sponsored or assisted research:		
National Sciences and Engineering Research Council		103,259
Government of the Province of Manitoba		45,562
Government of Canada		96,450
Other		52,155
		297,426
Total Grants	12,185,323	3,777,327
Scholarship and Bursary donors		163,043
Ancillary Enterprises:		
Bookstore	728,865	
Food Services	1,468,338	
Residence - Operating	730,456	
- Mortgage Grant		216,587
	2,927,659	216,587
Miscellaneous:		
Rentals	19,808	
Sundry	151,461	
Sundry projects		263,557
Interest income	114,330	
	285,599	263,557
Total Income, Statement B	$17,436,367	$ 4,447,577

Capital Purpose Fund Account	Total March 31 1985	Total March 31 1984
$ 2,317,866	$19,541,453	$16,787,994
	348,901	328,950
180,000	180,000	-
180,000	528,901	328,950
	157,585	144,235
	103,259	111,898
	45,562	38,815
	96,450	357,376
	52,155	69,143
	297,426	577,232
2,497,866	18,460,516	15,907,382
	163,043	201,874
	728,865	658,000
	1,468,338	1,364,102
	730,456	696,148
	216,587	216,587
	3,144,246	2,934,837
	19,808	18,858
	151,461	154,850
	263,557	328,418
	114,330	87,638
	549,156	589,764
$ 2,497,866	$24,381,810	$21,564,886

Schedule 3 General Fund Expenditure by Type (page 1)

	Operating Fund Account	Research and Special Projects Fund Account
Academic - General:		
Salaries and staff benefits	$ 6,852,911	$
Music Conservatory commissions	111,042	
Travel and moving	194,066	
Sponsored or assisted research		467,003
Non-credit programs	34,775	
Other expenses and supplies	301,702	
Community Resource Centre	(14,033)	
Miscellaneous capital	187,836	
School of Music Building		
	7,668,299	467,003
Academic - Specifically Funded:		
Program for the Education of Native Teachers		370,662
Brandon University Northern Teacher Education Project		3,210,014
Brandon University Indian Leadership Development		51,589
		3,632,265
Library:		
Salaries and staff benefits	705,371	
Books and periodicals	221,307	
Travel and moving	7,162	
Other expenses and supplies	60,074	
Miscellaneous capital	18,574	
	1,012,488	
Student Services:		
Salaries and staff benefits	603,638	
Travel and moving	24,553	
Other expenses and supplies	38,736	
Scholarships, bursaries and awards		163,043
Athletics programs	92,667	
Miscellaneous capital	5,983	
	765,577	163,043
Carried forward	$ 9,446,364	$ 4,262,311

Capital Purpose Fund Account	Total March 31 1985	Total March 31 1984
$	$ 6,852,911	$ 6,469,619
	111,042	92,278
	194,066	189,650
	467,003	445,445
	34,775	45,910
	301,702	348,093
	(14,033)	9,881
	187,836	253,753
3,855,779	3,855,779	717,369
3,855,779	11,991,081	8,571,998
	370,662	343,370
	3,210,014	2,648,548
	51,589	47,050
	3,632,265	3,038,968
	705,371	666,540
	221,307	223,945
	7,162	7,044
	60,074	69,590
	18,574	29,565
	1,012,488	996,684
	603,638	628,062
	24,553	31,495
	38,736	51,446
	163,043	201,874
	92,667	158,217
	5,983	4,198
	928,620	1,075,292
$ 3,855,779	$17,564,454	$13,682,942

Schedule 3 General Fund Expenditure by Type (page 2)

	Operating Fund Account	Research and Special Projects Fund Account
Brought forward	$ 9,446,364	$ 4,262,311
Administration:		
Salaries and staff benefits	543,743	
Travel and moving	22,627	
Other expenses and supplies	78,104	
Miscellaneous capital	20,526	
	665,000	
General support services and other general expenditures:		
Salaries and staff benefits	844,608	
Past service staff benefits		
Convocation	16,274	
Sundry projects		251,044
Telephone and telegraph	35,007	
Postage	310	
Institutional membership fees	8,335	
Legal and audit	32,663	
Other expenses and supplies (net of recoveries)	293,826	
Miscellaneous capital	479,378	
	1,710,401	251,044
Plant Maintenance:		
Salaries and staff benefits	734,442	
Taxes and insurance	945,420	
Security and contract charges	61,909	
Other expenses and supplies	189,230	
Utilities	286,001	
Miscellaneous capital	75,412	
	2,292,414	
Steam Plant:		
Salaries and staff benefits	167,733	
Other expenses and supplies	12,376	
Utilities	311,489	
	491,598	
Maintenance allocations or recoveries	(421,197)	
Total Plant Maintenance	2,362,815	
Carried forward	$14,184,580	$ 4,513,355

Capital Purpose Fund Account	Total March 31 1985	Total March 31 1984
$ 3,855,779	$17,564,454	$13,682,942
	543,743	520,187
	22,627	30,114
	78,104	78,788
	20,526	13,449
	665,000	642,538
	844,608	833,619
	-	60,000
	16,274	21,210
	251,044	330,976
	35,007	22,011
	310	(324)
	8,335	8,314
	32,663	46,482
	293,826	226,694
	479,378	87,450
	1,961,445	1,636,432
	734,442	688,398
	945,420	903,964
	61,909	59,487
	189,230	178,712
	286,001	237,939
	75,412	170,278
	2,292,414	2,238,778
	167,733	159,024
	12,376	10,507
	311,489	297,684
	491,598	467,215
	(421,197)	(389,622)
	2,362,815	2,316,371
$ 3,855,779	$22,553,714	$18,278,283

Schedule 3 General Fund Expenditure by Type (page 3)

	Operating Fund Account	Research and Special Projects Fund Account
Brought forward	$14,184,580	$ 4,513,355
Ancillary Enterprises:		
Bookstore:		
Salaries and staff benefits	77,231	
Goods for resale	561,347	
Other expenses and supplies	30,006	
Students' Union share of net income (note 5)	30,145	
	698,729	
Food Services:		
Salaries, staff benefits, administration and management fee	602,861	
Food	492,389	
Other expenses and supplies	202,085	
Utilities allocation	57,701	
	1,355,036	
Residences:		
Salaries and staff benefits	352,237	
Other expenses and supplies	276,022	
Utilities allocation	169,529	
Mortgage payments		216,587
Room bursaries		
	797,788	216,587
Total Ancillary Enterprises	2,851,553	216,587
Total Expenditure, Statement B	$17,036,133	$ 4,729,942

ANNUAL FINANCIAL STATEMENT

Capital Purpose Fund Account	Total March 31 1985	Total March 31 1984
$ 3,855,779	$22,553,714	$18,278,283
	77,231	76,597
	561,347	497,594
	30,006	34,460
	30,145	24,302
	698,729	632,953
	602,861	532,460
	492,389	495,586
	202,085	228,663
	57,701	42,168
	1,355,036	1,298,877
	352,237	335,318
	276,022	269,900
	169,529	160,470
	216,587	216,587
	-	28,120
	1,014,375	1,010,395
	3,068,140	2,942,225
$ 3,855,779	$25,621,854	$21,220,508

Schedule 4 General Fund Expenditure by Account and by Funding (page 1)

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Academic General				
Arts	$ 1,709,909	$ 49,567	$ 157,592	$ 27,212
Science	1,821,505	155,069	172,861	29,567
Education	1,116,986	121,660	110,231	18,592
Music	792,596	72,926	68,912	12,699
Continuing Education	263,408	82,986	15,434	5,223
Media & Film Services	43,230		4,096	650
Senate				
Music Conservatory	104,943		4,502	1,597
Non-credit programs				
Assisted Research				
Community Resource Centre	13,080	15,408	1,807	516
Construction, Music Building				
	5,865,657	497,616	535,435	96,056
Special Programs:				
B.U.N.T.E.P.	885,042	120,885	72,923	17,030
P.E.N.T.	259,934	1,277	10,494	4,122
B.U.I.L.D.	30,264		2,242	456
	1,175,240	122,162	85,659	21,608
Library:		641,539	54,266	9,566
Books and Periodicals				
		641,539	54,266	9,566
Student Services:	107,075	399,741	47,069	7,677
Scholarships				
Athletic Programs		40,563	894	619
	107,075	440,304	47,963	8,296
Administration:				
President		180,340	9,235	2,709
Vice President		310,708	31,648	4,784
Board of Governors		4,190	72	57
		495,238	40,955	7,550
Carried forward	$ 7,147,972	$ 2,196,859	$ 764,278	$ 143,076

Travel	Supplies & Other Expenses	Miscellaneous Capital	Recoveries	Total March 31 1985	Total March 31 1984
$ 52,801	$ 45,327	$ 29,908	$	$2,072,316	$ 1,969,377
64,160	119,752	95,754		2,458,668	2,323,149
38,960	43,093	36,688		1,486,210	1,440,051
24,146	66,495	16,804		1,054,578	1,048,916
13,834	16,966	7,168		405,019	403,946
166	9,798	1,514	(2,424)	57,030	72,128
	2,694			2,694	3,548
				111,042	92,278
	34,775			34,775	45,910
	467,003			467,003	445,445
3,693	13,149		(61,686)	(14,033)	9,881
		3,915,779	(60,000)	3,855,779	717,369
197,760	819,052	4,103,615	(124,110)	11,991,081	8,571,998
231,750	1,821,431	60,953		3,210,014	2,648,548
32,213	62,622			370,662	343,370
2,033	16,594			51,589	47,050
265,996	1,900,647	60,953		3,632,265	3,038,968
7,162	60,074	18,574		791,181	772,739
	221,307			221,307	223,945
7,162	281,381	18,574		1,012,488	996,684
23,875	38,736	5,983		630,156	680,337
	163,043			163,043	201,874
678	116,987		(24,320)	135,421	193,081
24,553	318,766	5,983	(24,320)	928,620	1,075,292
13,339	27,834	11,552		245,009	232,564
5,381	38,319	8,974		399,814	400,024
3,907	11,951			20,177	9,950
22,627	78,104	20,526		665,000	642,538
$ 518,098	$ 3,397,950	$ 4,209,651	$ (148,430)	$18,229,454	$14,325,480

Schedule 4 General Fund Expenditure by Account and by Funding (page 2)

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Brought forward	$ 7,147,972	$ 2,196,859	$ 764,278	$ 143,076
General Support:				
Alumni		54,920	5,070	823
Director of Development		7,122		107
Print Shop		82,268	7,579	1,331
Computer Services		224,443	19,746	3,392
Purchasing		32,153	2,400	358
Information Services		51,814	4,856	772
Mail Room and Supplies Office		43,647	3,290	534
Registrar		186,993	18,507	2,824
Personnel		52,552	3,870	789
Telephone Office		29,975	2,024	449
Consulting fees				
Presidential search				
Royal Visit				
Past service benefits				
Convocation				
Sundry projects				
Telephone & telegraph				
Postage				
Institutional membership fees				
Legal and audit				
Bad debt expense				
		765,887	67,342	11,379
Plant Maintenance:		627,691	95,096	11,655
Taxes				
Insurance				
Security				
Service contracts				
Utilities				
		627,691	95,096	11,655
Steam Plant		154,576	10,968	2,189
Utilities				
		154,576	10,968	2,189
Carried forward	$ 7,147,972	$ 3,745,013	$ 937,684	$ 168,299

Travel	Supplies & Other Expenses	Miscellaneous Capital	Recoveries	Total March 31 1985	Total March 31 1984
$ 518,098	$ 3,397,950	$ 4,209,651	$ (148,430)	$18,229,454	$14,325,480
3,639	27,435	3,703		95,590	105,816
	7			7,236	30,063
543	122,087		(169,234)	44,574	18,404
4,030	141,482	474,161		867,254	429,036
65	2,003			36,979	33,806
730	32,485			90,657	94,872
	55,405		(47,961)	54,915	38,979
1,148	55,287			264,759	263,663
2,640	5,533	1,514		66,898	81,996
	12			32,460	29,966
	20,000			20,000	-
	6,958			6,958	-
	6,723			6,723	-
				-	60,000
	16,274			16,274	21,210
	251,044			251,044	330,976
	169,460		(134,453)	35,007	22,011
	95,415		(95,105)	310	(324)
	8,335			8,335	8,314
	32,663			32,663	46,482
	22,809			22,809	21,162
12,795	1,071,417	479,378	(446,753)	1,961,445	1,636,432
589	188,641	75,412	(149,223)	849,861	878,460
	905,920			905,920	860,606
	39,500			39,500	43,358
	49,547			49,547	53,163
	12,362			12,362	6,324
	286,001		(271,974)	14,027	7,245
589	1,481,971	75,412	(421,197)	1,871,217	1,849,156
	12,376			180,109	169,531
	311,489			311,489	297,684
	323,865			491,598	467,215
$ 531,482	$ 6,275,203	$ 4,764,441	$(1,016,380)	$22,553,714	$18,278,283

Schedule 4 General Fund Expenditure by Account and by Funding (page 3)

	Salaries Academic	Salaries Support	Benefits	Health & Education Tax
Brought forward	$ 7,147,972	$ 3,745,013	$ 937,684	$ 168,299
Ancillary Enterprises:				
Bookstore		69,705	6,472	1,054
Cost of Sales				
Food Services		469,935	39,072	5,820
Food				
Utilities				
Residences		322,777	25,312	4,148
Utilities				
Mortage				
Room Bursaries				
		862,417	70,856	11,022
Total Expenditure, Statement B	$ 7,147,972	$ 4,607,430	$ 1,008,540	$ 179,321

Travel	Supplies & Other Expenses	Miscellaneous Capital	Recoveries	Total March 31 1985	Total March 31 1984
$ 531,482	$ 6,275,203	$ 4,764,441	$(1,016,380)	$22,553,714	$18,278,283
778	59,373			137,382	135,359
	561,347			561,347	497,594
3,621	250,818	35,680		804,946	761,123
	492,389			492,389	495,586
	57,701			57,701	42,168
276	257,465	18,281		628,259	605,218
	169,529			169,529	160,470
	216,587			216,587	216,587
				-	28,120
4,675	2,065,209	53,961		3,068,140	2,942,225
$ 536,157	$ 8,340,412	$ 4,818,402	$(1,016,380)	$25,621,854	$21,220,508

Schedule 5 Comparative Schedule of Income and Expenditure, Ancillary Enterprises for the years ended March 31, 1985 and March 31, 1984

	Bookstore	Food Services
Income:		
Room and Board fees	$	$ 991,208
Conventions		139,610
Canteen (including vending machines)		252,327
Internal functions		31,421
Other		53,772
Book sales	728,865	
Grant from Universities Grants Commission		
Total Income, Statement B	728,865	1,468,338
Expenditures:		
Salaries	69,705	469,935
Staff benefits	7,526	44,892
Cost of goods sold	561,347	492,389
Management fee		88,034
Supplies and other expenses	30,006	166,405
Mortgage payments		
Utilities		57,701
Students' Union share of Bookstore net income	30,145	
Equipment, alterations and other		35,680
Room bursaries		
Total Expenditure, Statement B	698,729	1,355,036
Excess (Deficiency) of Income over Expenditure	$ 30,136	$ 113,302

ANNUAL FINANCIAL REPORT

Residence	Total 1985	Total 1984
$ 639,346	$ 1,630,554	$ 1,563,468
49,020	188,630	129,106
5,789	258,116	224,742
	31,421	33,712
36,301	90,073	109,222
	728,865	658,000
216,587	216,587	216,587
947,043	3,144,246	2,934,837
322,777	862,417	787,313
29,460	81,878	74,171
	1,053,736	993,180
	88,034	82,891
257,741	454,152	408,700
216,587	216,587	216,587
169,529	227,230	202,638
	30,145	24,302
18,281	53,961	124,323
		28,120
1,014,375	3,068,140	2,942,225
$ (67,332)	$ 76,106	$ (7,388)

Schedule 6 Scholarship and Endowment Trust Fund Account

Restricted Funds:	Capital	Current	Total
Alumni Equipment Fund	$ 164	$ 76	$ 240
Annual Donor Scholarship Fund	-	7,651	7,651
Art Exhibition Fund	785	554	1,339
Bain, Lillian Memorial Scholarship Fund	2,320	977	3,297
Bilous, Procop and Dora Memorial Fund	1,100	435	1,535
Brandon Sun Centennial Chair in Journalism	10,000	(2,694)	7,306
Brandon University Development Fund	3,555	2,904	6,459
Bremner, Elizabeth Ann Award	160	2	162
Brown, Ian & Shirley Fund	1,277	892	2,169
Cameron, Una B. Memorial Fund	10,000	5,825	15,825
Campus Concert Series Fund	2,455	304	2,759
Chaudhari, Dr. D.K. Memorial Bursary Fund	5,142	856	5,998
Chevron Standard Ltd. Award	5,550	(2,613)	2,937
Christie, E.L. Memorial Fund	15,000	18,197	33,197
Clark, A. Memorial Book Prize	220	440	660
Corrigan Library Fund for Native Literature	497	600	1,097
Crescam Serviendo Award	675	45	720
Cumming, William Purdon Memorial Fund	5,000	3,846	8,846
Demchuk, Dr. N. Memorial Scholarship Fund	15,500	1,914	17,414
Dinsdale, W. Memorial Lecture Series	235	48	283
Dobson, Peter Memorial Scholarship Fund	600	16	616
Douglas, Isabelle Estate	5,000	5,144	10,144
Evans, J.R.C. Masonic Memorial Fund	2,415	1,440	3,855
Evans, J.R.C. Loan Fund	64,000	11	64,011
Fraser, Merle (Lund) Memorial Bursary Fund	2,025	89	2,114
Hannah, R.H. Scholarship Fund	1,250	104	1,354
Hargreaves-Mawdsley, N. Memorial Fund	1,695	622	2,317
Hendzel, Gus Memorial Fund	2,200	540	2,740
Hill, Helen Memorial Scholarship Fund	5,100	296	5,396
Inch, Elizabeth and R.B. United Nations Fund	5,000	953	5,953
James of Goodlands Bursary Fund	3,000	913	3,913
Kidd, A. Vincent Memorial Scholarship Fund	6,265	6,030	12,295
Lang, R.J. Memorial Fund	5,000	4,634	9,634
Library Development Fund	1,721	828	2,549
Lightbody, Dr. C.W. Memorial Fund	2,736	4,774	7,510
Lussier, Napoleon Memorial Fund	1,260	532	1,792
MacIntyre, Alexander Prize in Education	2,500	5,336	7,836
MacNeill, Dr. G. Estate	6,728	3,357	10,085
Mann, Jean Memorial Fund	2,000	1,652	3,652
McCarthy, R.J. Memorial Scholarship Fund	812	983	1,795
McGinn, J.A. Fellowship	1,200	489	1,689
McGregor, W. Memorial Fund	2,400	1,330	3,730
McKenzie, A.E. Foundation	281,784	-	281,784
McLeod, Dr. J.A. Scholarship Fund	1,310	651	1,961
McMillan, Neil Scholarship Fund	4,600	3,333	7,933
Orchard Memorial Fund	3,500	4,448	7,948
Patmore, R.H. Memorial Fund	10,000	3,419	13,419
Perdue, Dr. H.S. Memorial Scholarship Fund	2,045	255	2,300
Popper, Karl Scholarship in Philosophy	500	15	515
Carried forward	$508,281	$ 92,453	$600,734

	Capital	Current	Total
Restricted Funds:			
Brought forward	$ 508,281	$ 92,453	$ 600,734
Riley, Christopher Estate	34,411	29,035	63,446
Robbins, John and Catherine Scholarship Fund	35,341	10,345	45,686
Rowe, G.R. Memorial Fund	10,000	19,389	29,389
School of Music Building Fund	8,996	713	9,709
Simmons, R. Murray Memorial Fund	4,263	2,065	6,328
Smart, John Gregson Memorial Fund	2,500	1,039	3,539
Stewart, Dr. D.B. Scholarship Fund	1,250	104	1,354
Stott-McMillan, M. Scholarship Fund	4,000	1,183	5,183
Students Benevolent Fund	2,553	576	3,129
SUSA Trust Fund	-	24,138	24,138
Taylor, B.H. Memorial Bursary Fund	1,900	74	1,974
Vasey, Jane Memorial Fund	9,490	1,346	10,836
Vining, Abbie and Arthur Memorial Fund	20,000	30,706	50,706
Whiteside, E.A. Fund	2,300	6,811	9,111
Whyte, Alex Memorial Fund	7,077	3,911	10,988
Wong, W.G. Scholarship Fund	1,631	31	1,662
Wright, W.L. and A.E. Memorial Fund	2,010	1,273	3,283
Zonta Club Scholarship	5,000	605	5,605
	661,003	225,797	886,800
Unrestricted Funds:			
Alumni - General Fund	70	9	79
Bass, W.K. Estate Bequest	5,000	649	5,649
Brandon University Association Fund	5,934	859	6,793
Brandon University Development Fund	5,301	356	5,657
Clark, Carrie B. Estate	4,022	2,697	6,719
Class of 1930 Gift	2,495	820	3,315
Class of 1931 Gift	1,475	914	2,389
Class of 1934 Gift	600	53	653
Diefenbaker, John G. Estate	1,100	518	1,618
Dulmage, Dr. A.L. Fund	4,290	908	5,198
Fenwick, Thomas F. Estate	7,140	1,163	8,303
Fraser, Blair Memorial Fund	500	333	833
Gainer, Pearl Edith Estate	14,990	1,982	16,972
Robinovitch, Gerald and Glorianne Memorial Fund	100	(1)	99
Sanders, C.J. Estate	596,457	-	596,457
Whitfield-Clark, Dr. C. Memorial Fund	11,510	6,288	17,798
Woodhull, Lillian K. Estate	500	51	551
	661,484	17,599	679,083
Balance at end of year, Statement D	$ 1,322,487	$ 243,396	$ 1,565,883

Notes to Financial Statements
for the year ended March 31, 1985

1. Significant Accounting Principles and Reporting Practices

A. Fund Accounting

The accounts of the University are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources are classified for accounting and reporting purposes into funds in accordance with specified activities or objectives. For financial reporting purposes, accounts with similar characteristics or objectives have been combined to establish the General and Trust Funds.

B. Investment of Trust Funds

Trust funds available for investment are pooled. Investment income is distributed to each participating fund annually at March 31. Investments are recorded at cost or at fair market values as at the date of acquisition or donation respectively. Gains or losses on sales of investments are recognized in the fiscal year of disposal.

C. Accounting basis

The University accounts are maintained to provide a matching of revenues and expenditures to the fiscal year in which the items were budgeted. As a consequence of this policy, the following modifications to the accrual basis of accounting have been adopted by the University:

a) Regular session student fees and ancillary enterprises income which pertain to a period after the University's fiscal year-end are not treated as deferred income but are recorded as revenues of that fiscal year.

b) The costs of sabbatical leaves are accounted for in the fiscal year in which the expenditures are made; other payroll costs have not been accrued from the last pay period in the fiscal year to March 31.

c) Accrued interest has not been taken into account on the University's investments or liabilities.

d) Consumable supplies are charged to operations in the fiscal year they are acquired. Except for the bookstore, the costs of the unused supplies as at March 31 are not included in inventory for financial statement presentation purposes.

e) Grants in lieu of taxes, which were paid on behalf of the University by the Department of Municipal Affairs, have been reflected in both income and expenditures in the financial statements.

D. Property Plant and Equipment

The value of the land ($542,190) is recorded as per the Municipal Tax Assessment values as of December 31, 1984.

Furnishings and equipment including library books are purchased with operating funds and charged to operations in the fiscal year of acquisition. These items along with buildings were appraised by Sunalta Appraisals Ltd. who reported depreciated replacement values as of July 31, 1984.

The impact of the increase or decrease is reflected as an adjustment to Investment in Fixed Assets.

Depreciation is not provided for on fixed assets.

E. Mortgage Principal Repayment

Repayments of mortgage principal are charged to operations, except for repayment of Zone Properties mortgages which are charged to Investment in Fixed Assets.

F. Operations

Ancillary enterprises provide goods and services not directly associated with the University's primary educative objective. These activities are expected to operate on a break-even basis, except for payments of principal and interest on long-term debt, which is funded from other sources. Ancillary enterprises are assessed all significant overhead costs associated with their operations.

2. Brandon Centennial Auditorium Corporation Inc.

Under an arrangement between the University, the Province of Manitoba and the City of Brandon, the University built an Auditorium on its property for the benefit of citizens of Western Manitoba. The expenditures for the building and furnishings were financed from contributions by the Governments of Canada and the Province of Manitoba, the City of Brandon and citizens through campaigns.

The Auditorium has been leased to the Brandon Centennial Auditorium Corporation Inc. under a 99 year lease for a nominal consideration of $1 with the University being required to supply certain services to the Auditorium for which it is reimbursed.

3. Investments

Details regarding the Investments are as follows:

	Par Value	Book Value	Market Value
Bonds:			
Government of Canada	$565,000	$543,838	$552,613
Other	25,000	25,000	27,500
Stocks:	21,206	293,719	336,053
	$611,206	$862,557	$916,166

4. Zone Properties

There are several mortgages outstanding as at March 31, 1985 having varying maturity dates. Under the terms of the various mortgages, monthly payments of $648 are required covering principal and interest.

5. Bookstore

An agreement between the University and the Brandon University Students' Union provides for the equal sharing of profits of the University's bookstore operations. Profits payable to the Students' Union amounted to $30,145 for the year ended March 31, 1985 (1984 - $24,302).

BRANDON UNIVERSITY

Notes to Financial Statements
for the year ended March 31, 1985

6. Pension Plans

Brandon University contributes to a trustee-administered Pension Plan for its employees. Both the University and the employees contribute to the Pension Plan on the basis of the employees regular salary.

An actuarial valuation was completed as at January 1, 1984 to determine the Fund's position and established a Fund surplus of $1,231,686. The next actuarial valuation is to be made as at January 1, 1987.

There is also a special pension contract subject to conditions being fulfilled. The University amortizes the cost thereof by an annual charge to operations.

The accounts of the Brandon University Pension Plan do not form part of the University's financial statements. The Plan's financial statements are audited and reported on by the Provincial Auditor.

7. Research and Special Projects Fund Account

From time to time, certain funds are received by the University for specific purposes. In the fiscal year that the funds are received, they are shown as income on the Statement of Income and Expenditure.

8. Capital Purpose Fund Account

Funds received by the University for Capital purposes are reported in the Fund Balances section of the Balance Sheet, until such time as they are applied to the expenditures for which they were received. The balance of $(1,276,281) in the Capital Purposes Fund Account represents costs incurred in excess of contributions received to March 31, 1985 in respect of the new Music Building. The Government of the Province of Manitoba authorized the University to negotiate a mortgage, not to exceed $1,300,000 to fund the University's share of the cost of the Music Building. The mortgage is to be repaid by the University from non-Government funds. The funding is intended to be met by contributions from a Music Building fund raising campaign. Subsequent to March 1985, the University obtained interim financing in the amount of $650,000 which is secured by a promissory note.

9. Restatement of Accounts

Comparative figures for the year ended March 31, 1984 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1985.

10. Long-term Lease Purchase Agreement

Brandon University acquired a VAX 11/750 computer in December, 1982 from Digital Equipment of Canada Ltd., under a lease-purchase agreement. The terms of the agreement call for 5 equal annual payments of $39,960.25, starting April 1, 1983 and a 10% purchase option ($17,313) payable April 1, 1988.

11. Accounts Receivable

	1985	1984
Student receivables	$371,062	$358,124
Other receivables	239,343	277,251
	610,405	635,375
Allowance for doubtful accounts	87,607	99,100
	$522,798	$536,275

12. Contingent Liability

Brandon University is named as a defendant in a Statement of Claim for which legal proceedings are still in progress. The plaintiff has filed a claim for Breach of Contract by Brandon University in the amount of $350,000.00. No provision regarding this claim has been recorded in the accounts of the University.

13. Capital Commitments

The estimated cost of contractual commitments to complete the School of Music Building as at 31 March is $309,708.

Manitoba

THE BRANDON UNIVERSITY PENSION FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits 1, 2 and 3, of The Brandon University Pension Fund for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

October 22, 1985,
Winnipeg, Manitoba.

Exhibit 1

THE BRANDON UNIVERSITY PENSION FUND

Balance Sheet
as at December 31, 1984
(with 1983 figures for comparison)

ASSETS

	1984	1983
Accounts Receivable, Brandon University	$ 96,613	$ 89,610
Held by The Great-West Life Assurance Company		
Deposit Fund	435,644	547,398
Mortgage Fund	3,255,684	3,719,343
Bond Fund	2,316,926	1,637,132
Canadian Equity Index Fund	4,290,681	2,858,706
Real Estate Fund	1,251,318	1,098,158
Money Market Fund	294,231	444,044
U.S. Equity Fund	1,168,867	1,055,049
Transaction Account	(113,150)	(125,945)
	12,900,201	11,233,885
TOTAL ASSETS	$ 12,996,814	$ 11,323,495

LIABILITIES

Reserve for Present and Future Pension Benefits, Exhibit 2	$ 12,996,814	$ 11,323,495
TOTAL LIABILITIES	$ 12,996,814	$ 11,323,495

Exhibit 2

THE BRANDON UNIVERSITY PENSION FUND

Statement of Changes in the Reserve for Present and Future Pension Benefits
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Additions:		
Contributions:		
Members, regular	$ 491,752	$ 474,817
University, regular	543,411	525,397
University, other	-	60,000
	1,035,163	1,060,214
Experience refund, prior plan	11,759	17,816
Investment income, Exhibit 3	1,040,241	1,521,846
Total Additions	2,087,163	2,599,876
Deductions:		
Benefits:		
Retirements	233,307	205,440
Refunds	88,097	43,129
Deaths	11,380	9,739
	332,784	258,308
Administration Expenses:		
Agency fees	71,977	67,535
Audit fees	4,100	3,825
Trustee expenses	4,983	2,778
	81,060	74,138
Total Deductions	413,844	332,446
Net increase for the year	1,673,319	2,267,430
Balance at beginning of year	11,323,495	9,056,065
Balance at end of year, Exhibit 1	$ 12,996,814	$ 11,323,495

Exhibit 3

THE BRANDON UNIVERSITY PENSION FUND

Statement of Investment Income
for the year ended December 31, 1984
(with 1983 figures for comparison)

	Interest and Dividends	Adjustments to Market Values	Total 1984	Total 1983
Investment income, (Note 1(b))				
Deposit Fund	$ 38,483	$ -	$ 38,483	$ 48,041
Mortgage Fund	399,734	11,607	411,341	555,675
Bond Fund	241,979	62,814	304,793	105,721
Canadian Equity Index Fund	-	(43,024)	(43,024)	559,396
Real Estate Fund	-	153,160	153,160	101,562
Money Market Fund	55,187	-	55,187	35,850
U.S. Equity Fund	-	113,818	113,818	110,049
Transaction account	6,483	-	6,483	5,552
Investment Income, Exhibit 2	$ 741,866	$ 298,375	$ 1,040,241	$ 1,521,846

THE BRANDON UNIVERSITY PENSION FUND

Notes to the Financial Statements
December 31, 1984

1. ACCOUNTING POLICIES:

   (a) The Brandon University Pension Fund follows the accrual basis of accounting.

   (b) Investments are stated at market value as at each fiscal year end. The market value of the investments is supplied by The Great-West Life Assurance Company. The increase or decrease in value of the investments is reflected in the income for the fiscal year.

2. GENERAL COMMENTS:

   (a) The Brandon University Retirement Plan is a Trusteed Plan established April 1, 1974. The assets of the Plan are held in the name of the Trustees of Brandon University. There are five Trustees and an Investment Committee of three members. The Great-West Life Assurance Company administers the Plan under the terms of an agreement entered into with the Trustees dated January 1, 1979.

   (b) The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Fund on an actuarial valuation basis. An actuarial valuation to determine the Fund's position as required by the Pension Benefits Act of Manitoba was completed as at January 1, 1984. This valuation established a Fund surplus of $1,231,686 as at that date. The next actuarial valuation is required as at January 1, 1987.

   (c) Brandon University provides the services of support staff and other miscellaneous administrative services at no charge to the Pension Fund.

Manitoba

CHANNEL AREA LOGGERS LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Channel Area Loggers Ltd. as at March 31, 1985 and the statement of revenues and expenditures, the statement of changes in financial position and the schedules of operating expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, C.A.,
Provincial Auditor.

September 19, 1985,
Winnipeg, Manitoba.

Exhibit A

CHANNEL AREA LOGGERS LTD.

(Incorporated Under The Corporations Act, Manitoba)

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
CURRENT ASSETS:		
Accounts receivable (Note 2)	$ 258,831	$ 251,804
Subsidy receivable from the Government of the Province of Manitoba	235,640	109,973
Inventories (Note 3)	148,263	255,104
Prepaid expenses	708	1,567
Total current assets	643,442	618,448
FIXED ASSETS (Note 4)	437,937	354,269
Less accumulated depreciation and amortization	199,842	171,137
Net fixed assets	238,095	183,132
GUARANTEE DEPOSIT WITH THE GOVERNMENT OF THE PROVINCE OF MANITOBA	900	900
DEFERRED EXPENDITURES - Timber Inventory Survey	-	38,876
TOTAL	$ 882,437	$ 841,356

LIABILITIES AND SHAREHOLDERS' EQUITY

	1985	1984
CURRENT LIABILITIES:		
Excess of outstanding cheques over bank balances	$ 3,723	$ 7,792
Bank demand loan (Note 5)	372,000	200,000
Accounts payable (Note 6)	206,624	169,295
Deferred revenue - advances on pulpwood production	-	126,584
Total current liabilities	582,347	503,671
DEFERRED REVENUE - Assistance from the Government of the Province of Manitoba re Timber Inventory Survey	-	37,595
SHAREHOLDERS' EQUITY:		
Capital stock (Note 7):		
Authorized: 35,000 common shares, maximum consideration not to exceed $350,000		
Issued: 30,009 shares	300,090	300,090
TOTAL	$ 882,437	$ 841,356

Exhibit B

CHANNEL AREA LOGGERS LTD.

Statement of Revenues and Expenditures for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
REVENUES:		
Pulpwood sales	$ 1,044,769	$ 303,015
Commissary sales	185,417	128,468
Miscellaneous	13,047	12,461
Total revenues	1,243,233	443,944
EXPENDITURES:		
Direct logging costs (Schedule 1)	1,089,684	366,736
General and administrative (Schedule 2)	247,780	235,635
Commissary	174,062	107,605
Total expenditures	1,511,526	709,976
	(268,293)	(266,032)
OTHER INCOME:		
Gain on disposal of fixed assets	3,194	21,088
Gain on fire insurance claims	-	13,571
	3,194	34,659
Excess (deficiency) of revenues over expenditures before prior period adjustments and operating assistance from the Government of the Province of Manitoba	(265,099)	(231,373)
Prior period adjustments (Note 10)	15,413	-
Excess (deficiency) of revenues over expenditures before operating assistance from the Government of the Province of Manitoba	280,512	-
Operating Assistance from the Government of the Province of Manitoba - General subsidy	235,635	109,973
- Specific subsidy (Note 9)	44,877	82,424
	280,512	192,397
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -	$ (38,976)

Exhibit C

CHANNEL AREA LOGGERS LTD.

Statement of Changes in Financial Position
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
SOURCE OF FUNDS:		
Excess (deficiency) of revenues over expenditures	$ -	$ (38,976)
Charges to operations not involving an outlay of funds:		
Depreciation and amortization	32,350	57,065
Deferred expenditures, net	1,281	-
Gain on disposal of fixed assets	(3,194)	21,088
	30,437	(2,999)
Proceeds from disposal of fixed assets	4,500	38,058
Book value of fixed assets realized on fire insurance claim	-	46,734
	34,937	81,793
USE OF FUNDS:		
Purchase of fixed assets, net	88,619	35,353
Deferred expenditures, net	-	1,281
	88,619	36,634
(Decrease) Increase in working capital for the year	(53,682)	45,159
Working capital at beginning of the year	114,777	69,618
Working capital at end of the year	$ 61,095	$ 114,777
Represented by:		
Current assets	$ 643,442	$ 618,448
Current liabilities	582,347	503,671
	$ 61,095	$ 114,777

Schedule 1

CHANNEL AREA LOGGERS LTD.

Schedule of Direct Logging Costs
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
INVENTORY AT BEGINNING OF THE YEAR	$ 128,956	$ -
PRODUCTION EXPENSES:		
Contract wood purchases	282,633	172,416
Cutters wages and fringe benefits	159,222	79,163
Depreciation	11,620	50,504
Transportation:		
Contract hauling to landing	206,126	51,305
Forwarding to roadside	2,765	521
Freight and fuel movement	18,979	8,208
Personnel transport (Note 9)	20,163	11,980
Road construction and maintenance, net	104,793	42,913
Timber dues	33,583	14,655
Supervision	34,350	21,374
Repairs and maintenance (Note 9)	45,644	27,544
Insurance	3,168	7,924
Other	4,651	-
Net kitchen and dormitory expenses	10,948	7,185
Timber inventory survey	38,876	-
Total production expenses	977,521	495,692
INVENTORY AT END OF THE YEAR	16,793	128,956
DIRECT LOGGING COSTS, EXHIBIT B	$ 1,089,684	$ 366,736

Schedule 2

CHANNEL AREA LOGGERS LTD.

Schedule of General and Administrative Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Salaries, wages and fringe benefits	$ 97,886	$ 82,675
Interest and service charges	37,787	13,690
Travel and accommodation	5,843	9,273
Mobile home	6,792	1,168
Communications	5,057	8,067
Bad debts	27,510	14,570
Legal, audit and accounting	21,494	20,643
Directors' travel and accommodation	7,105	3,800
Directors' fees	2,600	4,890
Office supplies and utilities	1,777	3,283
Taxes, licences and fees	2,146	4,584
Insurance	10,120	3,081
Depreciation	20,730	6,561
Miscellaneous	933	1,728
Campsite development and relocation	-	57,622
General and administrative expenses, Exhibit B	$ 247,780	$ 235,635

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1985

1. **Accounting Policies**

The accounting policies of the company are in accordance with generally accepted accounting principles and their basis of application is consistent with that of the preceding year.

Inventories:

Pulpwood inventory is valued at the lower of cost or net realizable value based upon the agreed price of deliveries to the purchaser, less an allowance for cullage and shrinkage.

Other inventories are valued at cost.

Fixed assets:

Fixed assets are stated at cost. It is the company's policy to provide for depreciation and amortization of fixed assets on the basis shown in note 4.

Revenue recognition:

Pulpwood sales are recognized on the basis of pulpwood delivered to landing and scaled in accordance with the terms of the sales contract.

2. **Accounts Receivable**

The major categories of accounts receivable are:

	1985	1984
General	$ 181,800	$ 59,322
Fire insurance claims	-	91,862
Government of the Province of Manitoba	7,282	62,389
Government of Canada	18,567	9,595
Contract cutters	51,182	28,636
	$ 258,831	$ 251,804

CHANNEL AREA LOGGERS LTD.

Notes to the Financial Statements
March 31, 1985

3. Inventories

	1985	1984
The major categories of inventory are:		
Pulpwood	$ 16,793	$ 128,956
Other:		
Commissary supplies	9,838	4,027
Chain saws	2,102	4,206
Parts and supplies	36,434	26,161
Gasoline, diesel fuel and oil	74,482	89,833
Kitchen supplies	8,614	1,921
	131,470	126,148
	$ 148,263	$ 255,104

4. Fixed Assets

The major categories of fixed assets and related accumulated depreciation and amortization at March 31, 1985 are:

	Cost	Accumulated Depreciation and Amortization	Rates
Buildings and Trailers	$ 319,607		
Less: Funded by the Government of Canada	67,298		
	252,309	$ 84,592	10 - 33 1/3%
Machinery and Equipment	206,817		
Less: Funded by the Government of the Province of Manitoba	21,189		
	185,628	115,250	20 - 30%
	$ 437,937	$ 199,842	

It is the company's practice to provide for depreciation of buildings, trailers, machinery and equipment under the declining balance basis at the rates shown above.

5. Bank Demand Loan

The bank demand loan is guaranteed by the Government of the Province of Manitoba to a maximum of $500,000 including unpaid interest.

6. Accounts Payable

The major categories of accounts payable are:

	1985	1984
Trade	$ 136,510	$ 126,275
Wage deductions	8,908	16,460
Employees	5,820	-
Government of the Province of Manitoba	55,386	26,560
	$ 206,624	$ 169,295

7. Capital Stock

The issued shares are held by the Government of the Province of Manitoba except for nine shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba.

8. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides the services of the Secretary-Treasurer and other miscellaneous administrative services at no charge to the Company. The Government of the Province of Manitoba also provides Workers Compensation coverage for Company staff at no charge to the Company.

9. Assistance from the Government of the Province of Manitoba

The Government of the Province of Manitoba provided financial assistance to the Company in the form of an operating subsidy during the year ended March 31, 1985. The subsidy provided $7,282 (1984 - $4,412) towards transportation and maintenance costs associated with the Company's strip cutting operations.

The balance of $37,595 was received in prior years for the timber inventory survey and previously reflected in the accounts as deferred revenue.

10. Prior Period Adjustments

The Company has been assessed by the Government of the Province of Manitoba for taxes due under The Gasoline Tax Act and The Motive Fuel Tax Act. The assessment covers the period from April 1, 1979 to March 31, 1984.

11. Comparative Figures

Comparative figures for the year ended March 31, 1984 have been restated where necessary to conform with the presentation adopted for March 31, 1985.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE CIVIL SERVICE SUPERANNUATION FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to D and Schedules 1 to 4, of The Civil Service Superannuation Fund for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

Fred H. Jackson, C.A.,
Assistant Provincial Auditor.

April 10, 1985,
Winnipeg, Manitoba.

Exhibit A

THE CIVIL SERVICE SUPERANNUATION FUND

Balance Sheet as at December 31, 1984
(with 1983 figures for comparison)

	1984	1983
ASSETS		
Cash	$ 48,739	$ 32,586
Employees' and employers' contributions and payments receivable, Note 3	1,295,038	2,880,164
Investments, Schedule 1, Note 1(b)	495,620,954	430,351,162
Accrued investment income	8,907,783	8,043,691
Debt due from the Province of Manitoba, Note 1(c)	1,826,300	1,826,300
Furniture, fixtures and equipment, at nominal value, cost: 1984 - $55,203 1983 - $50,530	1	1
Computer equipment, Note 1(d) at cost less accumulated amortization: 1984 - $ 5,557 1983 - $84,251	121,997	38,467
Computer programs development expenses, Note 1(d) at cost less accumulated amortization: 1984 - $134,513 1983 - $133,100	16,359	1,413
	$ 507,837,171	$ 443,173,784
LIABILITIES		
Accounts payable	$ 46,952	$ 17,103
Investment reserve, Exhibit C, Note 1(b)(iv)	540,228	544,107
Superannuation indexing adjustment account, Exhibit D, Note 1(e)	30,655,114	26,570,911
Reserve for present and future benefits, Exhibit B	476,594,877	416,041,663
	$ 507,837,171	$ 443,173,784

Exhibit B

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Reserve for Present and Future Benefits
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Additions:		
Employers' and employees' payments and contributions, Schedule 2	$ 57,317,792	$ 53,176,846
Investment income, Schedule 3	51,706,516	45,801,095
Interest on debt due from the Province of Manitoba, Note 1(c)	73,052	73,052
Adjustment regarding The Civil Service Special Supplementary Severance Benefit Act, Note 3	(2,070,100)	2,070,100
Bank and other interest	59,524	104,283
Total additions	107,086,784	101,225,376
Deductions:		
Superannuation and supplementary allowances	35,113,208	29,108,227
Refunds of contributions and interest	3,851,648	3,019,347
Payments to employers resulting from an amendment to the early retirement pension reduction, Note 3(b)(iii)	2,404,967	-
Payments of employee contributions to other pension plans	271,828	358,727
Administrative expenses, net, Schedule 4	807,716	662,510
	42,449,367	33,148,811
Transfers:		
Net transfer to Superannuation indexing adjustment account, Exhibit D	4,084,203	5,693,521
Transfer to investment reserve, Exhibit C, Note 1(b)(iv)	-	1,000,000
Total deductions	46,533,570	39,842,332
Net increase for the year	60,553,214	61,383,044
Balance at beginning of year	416,041,663	354,658,619
Balance at end of year, Exhibit A	$476,594,877	$416,041,663

Exhibit C

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Investment Reserve
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Additions:		
Transfer from the Reserve for present and future benefits, Exhibit B	$ -	$1,000,000
Transfer from investment income, Schedule 3	496,121	-
Total additions	496,121	1,000,000
Deductions:		
Write-down of permanently impaired investments	500,000	315,000
Total deductions	500,000	315,000
Net increase (decrease) for the year	(3,879)	685,000
Balance at beginning of year	544,107	(140,893)
Balance at end of year, Exhibit A	$ 540,228	$ 544,107

Exhibit D

THE CIVIL SERVICE SUPERANNUATION FUND

Statement of Changes in the Superannuation Indexing Adjustment Account for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Additions:		
Allocation of 10.2% of employees' contributions	$ 3,941,546	$ 3,896,083
Interest	3,439,472	2,728,585
Transfer of pensioners' excess interest surplus, Note 1(e)	-	1,767,400
Total additions	7,381,018	8,392,068
Deductions:		
Charge for one-half of all superannuation adjustments	3,296,815	2,698,547
Total deductions	3,296,815	2,698,547
Net transfer from reserve for present and future benefits, Exhibit B	4,084,203	5,693,521
Balance at beginning of year	26,570,911	20,877,390
Balance at end of year, Exhibit A	$30,655,114	$26,570,911

Schedule 1

THE CIVIL SERVICE SUPERANNUATION FUND
Summary of Investments
as at December 31, 1984

	Par Value	Book Value
Fixed Income Investments, Note 1(b)(i)		
Term deposits	$ 51,990,096	$ 51,987,543
Bonds and debentures		
Government of Canada	$ 40,675,000	38,622,132
Province of Manitoba	26,083,000	25,874,050
Province of New Brunswick	1,230,000	1,230,000
Province of Newfoundland	425,000	423,357
Province of Nova Scotia	835,000	828,175
Province of Ontario	24,275,000	24,444,625
Province of Quebec	400,000	391,000
Province of Saskatchewan	4,175,000	4,170,517
Hospitals	4,555,000	4,555,000
Municipal Corporations	8,715,000	8,756,318
Corporations	110,439,097	110,197,779
Pooled bond funds	9,207,209	9,207,209
	$231,014,306	228,700,162
Mortgages		
Insured		
National Housing Act (Canada)	$ 95,450,819	89,568,217
Other	2,102,766	2,102,766
Uninsured	28,947,805	28,896,868
Pooled mortgage funds	6,182,362	5,682,362
	$132,683,752	126,250,213
Unamortized losses (gains) on disposition		292,189
Total fixed income investments at amortized cost		407,230,107
Equity Investments, Notes 1(b)(ii) and (iii)		
Common stock		1,134,507
Pooled equity funds		
Canadian		22,165,694
Non-Canadian		25,871,581
Petroleum and natural gas investments		
Shares and pooled funds		7,547,000
Investment in subsidiary, Note 4		4,405,252
Venture capital, limited partnership		1,850,751
Real estate		
Participating bonds		14,258,593
Qualifying shares		2,010,000
Units of pooled real estate		6,964,888
Accumulated unrealized appraisal adjustments		2,314,396
Unamortized losses (gains) on disposition		(131,815)
Total equity investments		88,390,847
Total investments, Exhibit A		$495,620,954

Schedule 2

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Payments and Contributions
for the year ended December 31, 1984

	Employers' payments and contributions	Employees' payments and contributions	Total
Province of Manitoba Civil Service	$ 8,957,670	$ 21,488,890	$ 30,446,560
Manitoba Telephone System	4,322,680	6,351,846	10,674,526
Manitoba Hydro-Electric Board	3,090,557	5,961,421	9,051,978
Liquor Control Commission	786,289	588,528	1,374,817
Manitoba Health Services Commission	327,610	892,272	1,219,882
Manitoba Public Insurance Corporation	65,646	1,251,056	1,316,702
Manitoba Agricultural Credit Corporation	45,745	90,534	136,279
Manitoba Crop Insurance Corporation	70,748	112,828	183,576
Manitoba Development Corporation	9,732	9,903	19,635
Communities Economic Development Fund	-	27,980	27,980
Teachers' Retirement Allowances Fund Board	2,901	22,915	25,816
Civil Service Superannuation Board	-	28,779	28,779
Workers Compensation Board	29,676	-	29,676
Manitoba Hog Producers' Marketing Board	39,933 *	39,933	79,866
Local Government Districts	2,688 *	2,688	5,376
Manitoba Government Employees' Association	64,714 *	64,714	129,428
Manitoba Housing and Renewal Corporation	5,832	56,737	62,569
Universities Grants Commission	6,756	8,227	14,983
Manitoba Centennial Centre Corporation	17,998	80,013	98,011
Manitoba Milk Producers' Marketing Board	28,968 *	28,968	57,936
Housing Authorities	165,106 *	161,659	326,765
Manitoba Water Services Board	16,572 *	16,572	33,144
Manitoba Turkey Producers' Marketing Board	8,360 *	7,404	15,764
Alcoholism Foundation of Manitoba	20,614	253,233	273,847
Manitoba Horse Racing Commission	-	13,209	13,209
Manitoba Data Services	10,977	316,726	327,703
Manitoba Research Council	69,976 *	69,976	139,952
Manitoba Beef Commission	20,018 *	20,018	40,036
Manitoba Lotteries Foundation	-	84,397	84,397
The Legal Aid Services Society of Manitoba	-	129,386	129,386
Manitoba Milk Prices Review Commission	-	510	510
Manitoba Energy Authority	-	3,959	3,959
Manfor Ltd.	-	4,131	4,131
Employees on Workers compensation	-	5,705	5,705
Employees on loan	16,275	15,814	32,089
Repayment of contributions previously refunded	-	107,497	107,497
Payments based on prior non-pensionable employment	10,470	311,405	321,875
Payments based on war service	6,550	243,495	250,045
Receipts from other pension plans re transfer of employee benefits under reciprocal agreements	-	223,403	223,403
Total payments and contributions, Exhibit B	$18,221,061	$39,096,731	$57,317,792

* Employers' contributions based on employees' remuneration

Schedule 3

THE CIVIL SERVICE SUPERANNUATION BOARD
Statement of Investment Income
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Fixed Income, Note 1(b)(i)		
Interest	$ 45,738,075	$ 41,643,036
Amortization of discounts (premiums), net	622,321	550,408
Amortization of realized (losses) gains	(14,599)	21,948
Transfer to investment reserve, Exhibit C	(496,121)	-
	45,849,676	42,215,392
Equity Income, Notes 1(b)(ii) and (iii)		
Real estate dividends and interest	2,082,906	1,362,400
Other dividends and interest	2,499,730	1,114,883
Unrealized appraisal adjustments	1,234,195	1,080,201
Amortization of realized gains	40,009	28,219
	5,856,840	3,585,703
Total investment income, Exhibit B	$ 51,706,516	$ 45,801,095

THE CIVIL SERVICE SUPERANNUATION FUND
Statement of Administrative Expenses, Net
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Salaries and fringe benefits:		
Salaries - permanent staff	$ 520,630	$ 500,973
Salaries - part-time staff	-	2,619
Fringe benefits	29,960	23,932
Pensions paid - employer cost	15,811	14,480
Health and education tax levy	8,626	7,786
	575,027	549,790
Professional fees:		
Actuary - pension	82,859	76,194
Audit	30,700	26,900
	113,559	103,094
Computer related costs:		
Amortization of equipment	19,712	20,451
Amortization of program development expense	1,413	5,681
Maintenance and program licencing	8,511	9,899
Miscellaneous	670	375
	30,306	36,406
Printing and stationery:		
Microfilming	877	2,058
Photocopy service	3,668	3,675
Printing	11,469	7,360
Stationery and supplies	15,309	14,903
	31,323	27,996
Other:		
Bank and investment management	81,544	13,059
Furniture and fixtures	4,673	4,097
Machine rentals and servicing	4,400	4,277
Medical examinations	2,726	3,449
Miscellaneous	12,237	9,304
Seminars and travelling	15,516	10,021
Telephone, postage and delivery	18,424	14,855
	139,520	59,062
	889,735	776,348
Less: Operating recoveries		
Public Service Group Insurance Fund administration	(60,452)	(56,442)
Municipal Employees Benefits Board administration	(20,321)	(20,165)
Civil Service Special Supplementary Severance Benefit Act administration, Note 3	(1,246)	(37,231)
Total administrative expenses, net, Exhibit B	$ 807,716	$ 662,510

THE CIVIL SERVICE SUPERANNUATION FUND

Notes to the Financial Statements
for the year ended December 31, 1984

1. Significant Accounting Policies:

The significant accounting policies are summarized below:

(a) The Fund follows the accrual basis of accounting except for refunds of employees' contributions which are reflected on the cash basis.

(b) The investment valuation and income measurement policies consist of:

(i) Fixed income investments:

Premiums and discounts of one percent or less of par value are reflected in income in the year of acquisition. All other premiums and discounts are amortized to income on a straight line basis over the term of the investment commencing with the year of acquisition.

Gains or losses on disposition before maturity are amortized to income on a straight line basis over the remaining term of the investment to a maximum of 20 years. The unamortized balances remain as part of the book value of the total investments.

(ii) Equity investments:

Equity investments are recorded at cost.

Petroleum and natural gas, and limited partnership investments have restrictions on their disposition.

One-fifth of any realized gains or losses is reflected in income in the year of disposition. The remaining four-fifths is reflected in the value of the investment assets and amortized to income in equal amounts over the next four years.

One-fifth of the difference between the book value and the established market value of equity investments as at the end of the fiscal year is reflected in income and the offset reflected as an unrealized appraisal adjustment.

1. (b) (continued)

(iii) Real estate equity investments:

Income from real estate equity investments, evidenced by participating bonds, represents the Fund's proportionate share of the net cash flow generated by the underlying properties with no allowance having been made for depreciation. In the event the income from a property is insufficient to pay the cost of its operations, the Fund is liable to make additional payments, without limitation in amount, equal to its share of such a deficiency.

Pooled real estate investments are recorded at cost plus the proportionate share of earnings reported by the property manager.

(iv) Investment reserve:

Effective January 1, 1983, the fixed income investment reserve was broadened to cover all investments. The broadened investment reserve was augmented by a $1,000,000 transfer from the reserve for present and future benefits. Effective January 1, 1984, 1/10 of 1% of the book value of the investment assets is transferred annually to the investment reserve from investment income to a maximum of the reserve not exceeding 1% of the book value of investment assets.

Impairment in the value of investments, considered to be permanent by the Investment Committee, is charged to the investment reserve.

(v) Foreign currency translation:

Investment transactions in foreign currency are translated to Canadian dollars and recorded at the rate of exchange prevailing at the dates of the transactions. Realized exchange gains or losses are amortized to income on a straight line basis over the remaining term of the investment to a maximum of 20 years.

(c) Debt due from the Province of Manitoba:

The Province of Manitoba assumed an accrued liability of $1,826,300 on account of its employees and pensioners as at May 1, 1939. The Province pays half-yearly interest on March 31st and September 30th at 4% per annum and may pay all or part of the debt at its option. In accordance with Section 24(1) of the Act, the aforementioned amount has been recorded as debt due from the Province.

1. (d) Computer:

Computer equipment and program development expenses are capitalized and are amortized on a straight line basis over six years.

During 1984, the Board acquired new computer equipment and programs which are to be amortized over six years starting in 1985. Disposition of the old equipment resulted in an adjustment which was charged as amortization of equipment in the current year.

(e) Superannuation indexing adjustment account:

In accordance with amendments to the Act, effective July 1, 1977, a program of controlled indexing was implemented whereby 10.2% of employees' annual contributions are allocated to a superannuation adjustment account. Interest is allocated to the reserve on a basis related to the yield earned by the Fund on its mortgages, bonds and debentures.

Effective July 1 of each year, cost-of-living superannuation adjustment payments are based on the lesser of the increase in the Consumer Price Index in the previous calendar year or the amount of the increase, as determined by an actuarial review, which could be paid without resulting in an unfunded liability in the adjustment account.

A 1982 amendment to The Civil Service Superannuation Act provided for the following special contributions to be credited to the superannuation adjustment account retroactive to December 31, 1981:

(i) on December 31, 1981, $1,391,100
(ii) on December 31, 1982, $1,565,600
(iii) on December 31, 1983, $1,767,400

(f) Actuarial valuations:

(i) The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, an actuarial valuation and report is required every three years. The most recent actuarial report on The Civil Service Superannuation Fund, as at December 31, 1983 disclosed a surplus of $17,698,138.

1. (f) (i) (continued)

The annual valuation of the Superannuation Adjustment Account as at December 31, 1983 revealed that $6,245,311 was available to actuarially finance additional cost-of-living increases for pensioners. Based on the Consumer Price Index increase, a cost-of-living increase of 4.5% was granted effective July 1, 1984 at an actuarial cost of $3,888,500, leaving a surplus of $2,356,811 in the account as at December 31, 1983.

(ii) The Board has a legislative requirement to pay as an annual administrative expense, one-half of the pension benefits paid by the Fund on behalf of its retired employees. On the basis of an actuarial report, the unfunded provision for the Board's employees amounted to $368,120 as at December 31, 1984.

2. Guarantee by the Province:

Under the Act, the Province of Manitoba guarantees that a certain rate of return which varies based on actuarial assumptions, will be earned on the assets of the Fund. Any deficiency in annual earnings is made up by the Province; however, no payments have been required to date.

3. The Civil Service Special Supplementary Severance Benefit Act and 1984 amendments to it and to The Civil Service Superannuation Act:

(a) The Civil Service Special Supplementary Severance Benefit Act was enacted to encourage voluntary early retirement during a 'window' period from February 28, 1983 to June 30, 1983. The enhancements under the Act provided for elimination of the early retirement reduction of 1½% per year prior to age 60 and the benefit formula was improved to include the average of the best 6 years earnings. A total of 488 employees (out of approximately 3,100 who were eligible) retired during the 'window' period.

The employers were responsible for the total costs of the benefits paid that were in excess of the pension payable under The Civil Service Superannuation Act. The Board recovered $1,246 ($37,231 in 1983) for additional administrative and counselling expenses incurred in respect of the 'window' period.

3. (a) (continued)

This Act resulted in an additional actuarial liability to the Fund of $2,070,100 which was recoverable from the Government of Manitoba. The recovery was rescinded by an amendment to The Civil Service Special Supplementary Severance Benefit Act in 1984 which was agreed to by the Government of Manitoba and the Employees' Superannuation Liaison Committee.

(b) Amendments to The Civil Service Superannuation Act in 1984 provided for:

(i) Improving the pension formula to the average of the best 6 of the last 12 years.

(ii) Reducing the early retirement penalty to 1/16 of 1% for each month between the date of retirement and age 60.

(iii) Authorizing the Fund to pay the Government of Manitoba and its agencies $2,404,967, being the present value of the matching employer cost of the early retirement penalty reduction. These payments were agreed to by the Government of Manitoba and the Employees' Superannuation Liaison Committee.

4. Investment in Subsidiary:

The Superannuation Resource Investment Corporation of Manitoba Inc., a wholly owned subsidiary of the Fund, was incorporated on May 30, 1983 for the purpose of participating in the energy resource sector on behalf of the Fund.

The Fund's investments shown in Schedule 1 include $4,405,251 recoverable advances provided by the Fund to the Corporation and an amount of $1 representing the capital stock issued by the Corporation. Net income resulting from the Corporation's operations is paid over to the Fund as a return on its investment. Proceeds from realization by the Corporation of its capital investments financed from advances is paid over to the Fund and applied against the advances.

Manitoba

COMMUNITIES ECONOMIC DEVELOPMENT FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 and 2, of the Communities Economic Development Fund for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Communities Economic Development Fund as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

October 15, 1985,
Winnipeg, Manitoba.

Exhibit A

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
Cash	$ 171,775	$ 90,458
Short-term bank deposit receipts	70,000	-
Subsidy receivable - Manitoba Development Corporation (Note 1)	361,627	459,527
Accounts receivable	4,515	5,604
Loans and interest receivable, less allowance for doubtful accounts (1985 - $1,386,100; 1984 - $1,044,400) (Note 4)	3,772,515	3,416,243
Office furniture and equipment, at cost, less accumulated depreciation (1985 - $16,684; 1984 - $9,963)	55,399	21,931
	$ 4,435,831	$ 3,993,763

LIABILITIES

	1985	1984
Accounts payable	$ 50,341	$ 38,148
Funds held in trust (Note 5)	70,267	40,392
	120,608	78,540
Funds provided by the Government of the Province of Manitoba (Note 3)	4,315,223	3,915,223
	$ 4,435,831	$ 3,993,763

Exhibit B

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Statement of Revenue and Expenditure
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Interest, loans	$ 423,080	$ 453,055
Interest, other	-	5,185
Miscellaneous	5,753	4,923
	428,833	463,163
Expenditure:		
General administrative, Schedule 1	748,688	810,594
Provision for doubtful accounts on loans receivable (Note 4)	495,700	586,686
	1,244,388	1,397,280
Less: Administrative expenses recovered from the Government of the Province of Manitoba	-	161,000
Net expenditure	1,244,388	1,236,280
Excess of expenditure over revenue	815,555	773,117
Less: Subsidy received or receivable from the Manitoba Development Corporation (Note 1)	815,555	773,117
	$ -	$ -

Schedule 1

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Schedule of General Administrative Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Consultants' fees and expenses	$ 15,753	$ 24,922
Depreciation	6,721	2,368
Directors' fees and expenses	43,577	56,066
Legal and audit	23,801	21,461
Office supplies and expenses	84,429	71,693
Salaries and employee benefits	492,414	553,798
Sundry	23,372	14,579
Travel	58,621	65,707
General administrative expenses, Exhibit B	$ 748,688	$ 810,594

Schedule 2

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Report of Assistance Granted or to be Granted for the year ended March 31, 1985

	Interest Rate	Term	Amount
B & W Enterprises Ltd.	9 3/4%	2 1/2 years	$ 25,000
Baker Locksmithing Services Ltd.	12 1/2%	9 years	94,250
Balanyk, Edward and/or Evelyn	12 1/4%	3 years	40,000
Ballantyne, Solomon	12 1/2%	3 years	31,730
Ballantyne, Yvonne	12 1/2%	3 years	33,250
Bradbury, Scott G.	11 1/2%	2 years	14,500
Brownstein, Scott and/or Harmon, Lisa	12 1/4%	1 year	5,250
Budd, Jane H.	10 3/4%	28 months	12,600
Burwash, Raymond J.	12 1/2%	4 years	52,900
C & W Transport Ltd.	12 1/4%	2 years	24,000
Capner, Ronald G.	13%	10 years	55,600
Chartrand, Raymond	10 3/4%	3 years	13,710
Churchill Arctic Enterprises Ltd. (Bank guarantee)	2% Fee	10 months	50,000
Churchill Arctic Enterprises Ltd. (Bank guarantee)	2% Fee	1 year	150,000
Churchill Community Development Corporation	11 1/2%	3 years	20,000
Churchill Research Centre Inc.	12 1/4%	1 month	20,000
Cook, Russell D.	11 1/2%	3 years	41,800
Crane River Housing Project Inc.	11 1/2%	4 months	5,000
D & D Logging Ltd.	10 3/4%	2 years	41,000
De Meulles, L. and/or Romanow, R.	12 1/2%	2 years	24,800
Devon Development Corporation	9 3/4%	3 years	34,450
Doan, Reginald and/or Betty	12 1/4%	5 years	71,000
Draft Enterprises Ltd.	11 3/4%	1 year	40,000
Ducharme, Lawrence	9 3/4%	1 1/2 years	34,220
Dudar, Kenneth W.	11 3/4%	5 years	10,000
Ferland, Gabe	11 3/4%	3 years	39,500
Fouillen, Louis and/or Annette	9 3/4%	10 years	112,800
Fox, Dennis E.	9 3/4%	5 years	34,300
Godfrey, Ronald and/or Dorothy	11 1/2%	3 years	35,000
Gold Trail Hotel Ltd.	12 1/4%	7 months	25,000
Griffiths, Brenda and/or Edward	12 1/4%	2 years	20,000
Houle, Gerald J.	12 1/2%	2 1/2 years	41,000
Howard, Thomas A.	12 1/4%	8 months	21,100
Ilford Store Association	13%	5 years	42,500
Jackson, Alton E.	11 3/4%	3 years	8,500
Little, John and/or Linda	11 3/4%	2 years	3,500
McKay, Kenneth V.	9 3/4%	3 years	11,500
McLean, Cameron (To Be Incorporated)	11 1/2%	8 years	66,600
McLeod, John L.	10 3/4%	2 years	7,450
Manigotagan Development Ltd.	12 1/4%	1 year	30,000
Manigotagan Development Ltd.	12 1/4%	5 months	21,000
Mecredie, Ovide	11 1/2%	3 years	40,000

Schedule 2

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Report of Assistance Granted or to be Granted for the year ended March 31, 1985

	Interest Rate	Term	Amount
Moodie, Thomas J.	11 1/2%	5 months	10,000
Mosiondz, Gary	9 3/4%	3 years	69,400
Mowatt, George	11 1/2%	2 months	3,500
Munroe, Gilbert P.	11 3/4%	3 years	36,000
Native Communications Inc.	9 1/2%	5 years	98,000
North, Gilbert	11 3/4%	5 years	45,000
North, Gilbert	11 1/2%	5 months	35,000
Northland Development Corporation	12 1/4%	3 months	13,200
Norway House Local Housing Corporation	12 1/4%	1 month	31,720
Pi-Mi-Chi-Ka-Mac Development Corporation	12 1/4%	4 months	25,853
Pi-Mi-Chi-Ka-Mac Development Corporation	12 1/4%	1 month	12,926
Rogers, David	11 1/2%	3 years	43,239
Sanderson, George	12 1/2%	2 1/2 years	12,000
Simes, David M.	13%	5 years	24,000
Sulik, Ronald S.	12 1/4%	3 years	5,000
Shaw, Joyce	11 3/4%	3 years	8,500
Sinclair, Hubert	10 3/4%	7 months	13,900
Swamper's Garage Ltd.	10 3/4%	7 years	72,500
Thompson Bus Lines (1984) Ltd.	11 1/2%	3 1/2 years	150,000
Turner, Herman and/or Patricia L.	9 3/4%	3 years	42,000
Warmanco Inc.	10 3/4%	3 years	70,000
			$ 2,326,548

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Notes to the Financial Statements
for the year ended March 31, 1985

1. Nature of the Fund

The Communities Economic Development Fund was established as a Crown Corporation to encourage the optimum economic development of remote and isolated communities within the Province of Manitoba. To carry out this objective it is not practical to pass on all of the Fund's costs to the users of its services. As a result the Fund depends to a certain extent on subsidized assistance.

The Manitoba Development Corporation provides the subsidy assistance required by the Fund to the extent of the Fund's excess of expenditure over revenue.

2. Significant Accounting Policies

(a) General

The accompanying financial statements have been prepared on an accrual basis, except for the accounting for pension costs as set out in (d) below.

(b) Allowance for doubtful accounts

The allowance for doubtful accounts regarding possible losses on outstanding loans is determined on an individual account basis.

(c) General administrative expenses (Schedule 1)

The Communities Economic Development Fund is jointly administered with the Manitoba Development Corporation. Common administrative expenses are paid by the Fund, except for rent and utility costs which are paid by the Corporation. The Fund has deemed that, in total, the administrative expenses represent a fair allocation of costs to the Fund. Accordingly, rent and utilities expenses are not reflected in these financial statements.

(d) Pensions

The officers and employees of the Fund are not members of the Civil Service of the Government of the Province of Manitoba, but they contribute to and are pensionable under the Civil Service Superannuation Fund.

In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Fund will contribute 50% of the pension disbursement made to retired employees. Such payments will be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Fund's employees amounted to $329,373 as at December 31, 1984.

(e) Depreciation

Office furniture and equipment is depreciated at 10% on a straight line basis.

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Notes to the Financial Statements
for the year ended March 31, 1985

3. Funds Provided by the Government of the Province of Manitoba

Funds are provided by the Government of the Province of Manitoba by way of conditional grants for a revolving fund for the purpose of making direct loans and for loan guarantees. In the event that the revolving fund increases beyond the amount provided by the Government of the Province of Manitoba, such increases would be repayable to the Government. If the Communities Economic Development Fund should cease operations then all remaining funds would be returned to the Government.

The funds provided are as follows:

	Direct Loans	Loan Guarantees	Total
Balance, beginning of year	$ 3,815,223	$ 100,000	$ 3,915,223
Funds provided during the year	400,000	-	400,000
Balance, end of year	$ 4,215,223	$ 100,000	$ 4,315,223

The balance of available capital authority as at March 31, 1985 is $1,907,000 for direct loans and $1,400,000 for loan guarantees.

4. Allowance for Doubtful Accounts

The change in the allowance during the year is as follows:

Balance, beginning of year	$ 1,044,400
Provision during the year	495,700
	1,540,100
Less: Accounts written off	154,000
Balance, end of year	$ 1,386,100

COMMUNITIES ECONOMIC DEVELOPMENT FUND

Notes to the Financial Statements
for the year ended March 31, 1985

5. Funds Held in Trust

At the year ended March 31, 1984, the Fund was holding $40,392 in trust which had been received from the Government of the Province of Manitoba regarding a program to provide management assistance and working capital for entrepreneurial and community development in northern and remote communities. Loans that the Fund made regarding the program became uncollectable and, in accordance with Board policy, the funds held in trust were applied on account of these loans.

At year end March 31, 1985, $70,267 was held in trust for Churchill Research Centre Inc. pending conditions for payment being met. Conditions were met and funds were paid in May, 1985.

6. Loan Commitments and Contingent Liabilities

		1985	1984
(a)	Loan commitments - undisbursed balance of approved loans	$ 685,248	$ 944,756
(b)	Contingent liability - bank loan guarantee	$ 150,000	$ 100,000
(c)	Contingent liability - Performance, material and labor bond	$ 45,915	$ 91,830

(d) Contingent liability - two statements of claim have been filed with the court, naming the Fund as defendant. The claims relate to certain real property which the Fund disposed of back in 1981. The claims are for damages and costs of an unspecified amount. The Fund is of the opinion that the claims are without merit.

MEYERS
NORRIS
PENNY & Co.

CHARTERED ACCOUNTANTS

PARTNERS:

R.A. MEYERS, C.A.	G.A. HORNE, C.A.
D.W.A. NORRIS, C.A.	J.E. FINLAYSON, C.A.
D.H. PENNY, F.C.A.	D.M. McCONNELL, C.A.
R.D. BAKER, C.A.	T.D. KIRKUP, C.A.
J.R. MORROW, C.A.	P.S. ECKERSLEY, C.A.
P.E.W. SAWYER, C.A.	J.D. STEWART, C.A.
N.F. COCHRANE, C.A.	G.A. HORNE JR., C.A.
D.H. DENNISON, C.A.	D.L. RITCHIE, C.A.
D.L. CANNONS, C.A.	

31st May, 1985

To the Board of Directors
Cooks Creek Conservation District No. 5

AUDITORS' REPORT

We have examined the balance sheet of the Cooks Creek Conservation District NO. 5 as at 31st December, 1984 and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the District as at 31st December, 1984 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Meyers Norris Penny & Co.
Chartered Accountants

Cooks Creek Conservation District No. 5
Balance Sheet as at 31st December, 1984

	1984	1983
Assets		
Current Assets		
Cash in bank	171,585	152,423
Accounts receivable	7,367	11,142
	178,952	163,565
Fixed Assets - Note 2	2,555	3,215
	181,507	166,780
Liabilities		
Conservation District Authority	39,230	29,498
Surplus		
Board and Sub District Account	139,965	134,736
Equipment Account	312	546
Emergency Reserve Account	2,000	2,000
	142,277	137,282
	181,507	166,780

Cooks Creek Conservation District No. 5

Statement of Board Account Revenue and Expenditure

For the Year Ended 31st December, 1984

	1984	1983
Revenue		
Province of Manitoba	189,102	160,006
Rural Municipality of Brokenhead	134	224
Rural Municipality of St. Annes	835	1,392
Rural Municipality of St. Clements	5,273	8,788
Rural Municipality of Springfield	56,335	93,891
Rural Municipality of Tache	5,232	8,720
Interest	11,836	5,682
Sundry	500	-
	269,247	278,703
Expenditure		
Administration		
Association dues	350	350
Board remuneration	11,296	8,881
Depreciation	426	137
Head office administration	1,705	591
Insurance	465	341
Office maintenance	1,533	1,094
Office rent	2,700	642
Printing, postage and stationery	1,875	1,205
Professional fees	2,922	1,126
Public relations	500	-
Salaries	12,748	12,298
Watershed manager's expenses	1,305	1,632
	37,825	28,297
Sub District Programs		
Lower Seine River	53,234	30,439
Cooks Creek	147,108	140,685
Bunn's Creek	25,851	14,905
	226,193	186,029
	264,018	214,326
Excess of Revenue over Expenditure	5,229	64,377
Account Balance - Beginning of Year	134,736	70,359
Account Balance - End of Year	139,965	134,736

Cooks Creek Conservation District No. 5

Statement of Equipment Account Revenue and Expenditure

For the Year Ended 31st December, 1984

	1984	1983
Revenue	-	1,255
Expenditure		
Gasoline and oil	-	339
Parts and repairs	-	368
Tools and safety equipment	-	99
Depreciation	234	206
	234	1,012
Excess of Revenue over Expenditure	(234)	243
Account Balance - Beginning of Year	546	303
Account Balance - End of Year	312	546

Cooks Creek Conservation District No. 5

Statement of Sub-District Programs

For the Year Ended 31st December, 1984

	Lower Seine River #9	Cooks Creek #11	Bunn's Creek #12	1984 Total	1983 Total
Weed and brush control	13,502	17,101	9,433	40,036	65,833
Channel maintenance	29,231	16,951	11,828	58,010	88,673
Culverts and structures	10,501	113,055	4,591	128,147	31,523
	53,234	147,107	25,852	226,193	186,029

Cooks Creek Conservation District No. 5

Statement of District and Provincial Contribution

For the Year Ended 31st December, 1984

	Share Percentage District	Share Percentage Provincial	Total Expenditures	District Share	Provincial Share
Administration					
General	25	75	21,501	5,375	16,126
Other	100		3,324	3,324	
Head office		100	1,705		1,705
Remuneration					
General	25	75	11,296	2,824	8,472
Sub-District Programs					
Lower Seine River	30/20	70/80	53,234	15,574	37,660
Cooks Creek	30/20	70/80	147,108	41,301	105,807
Bunn's Creek	30/20	70/80	25,852	6,520	19,332
			264,020	74,918	189,102

Cooks Creek Conservation District No. 5
Notes to the Financial Statements
For the Year Ended 31st December, 1984

Note 1 - Accounting Policies

Fixed Assets

Fixed Assets are recorded at cost.

Depreciation is recorded on the straight line method at the following rates:

Equipment	25%
Office Equipment	15%

Note 2 - Fixed Assets

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance Beginning Of Year	Additions	Balance End Of Year
Fixed Assets			
Equipment	936		936
Office equipment	2,840		2,840
	3,776		3,776
Accumulated Depreciation			
Equipment	424	234	658
Office equipment	137	426	563
	561	660	1,221
Net Book Value	3,215		2,555

Manitoba

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the Schedule of Loans and Loans Guarantee Transactions of The Co-operative Loans and Loans Guarantee Board for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the Schedule of Loans and Loans Guarantee Transactions presents fairly the balance of the loans and loans guarantees outstanding as at March 31, 1985 and the loans and loans guarantee transactions of the Board for the year then ended on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

December 5, 1985,
Winnipeg, Manitoba.

THE CO-OPERATIVE LOANS AND LOANS GUARANTEE BOARD

Schedule of Loans and Loans Guarantee Transactions for the year ended March 31, 1985

	Amounts Outstanding at March 31, 1984	Additions	Cancellations	Amounts Outstanding at March 31, 1985
Loans Guarantees:				
Elm Creek and Community Co-operative Recreation Association Inc.	$ 40,000	$ -	$ 20,000	$ 20,000
Winnipegosis Co-operative Fisheries Ltd.	15,000	-	10,000	5,000
	$ 55,000	$ -	$ 30,000	$ 25,000
Loans:				
Seymourville Consumers Co-op Ltd. (Note 1)	$ 2,296	$ -	$ 2,296	$ -
Lakeshore Metis Land Improvement Co-op Ltd. (Note 2)	-	70,000	-	70,000
	$ 2,296	$ 70,000	$ 2,296	$ 70,000

Notes:

1. The loan outstanding at March 31, 1984 of $2,296 has been repaid. This amount together with interest earned of $153 on the loan for the year ended March 31, 1985 has been paid to the Government of the Province of Manitoba.
2. The loan issued during the year to Lakeshore Metis Land Improvement Co-op Ltd. was approved by the Board as an interest free loan.
3. The Board previously obtained title to fixed assets owned by the South Indian Lake Co-op Fisheries Ltd. During the year ended March 31, 1985 the Board obtained proceeds of $18,507 from the rental of the fish processing plant. The proceeds have been paid to the Province.
4. In January 1985, the Board approved, subject to the acceptance of certain conditions as specified in the offer, two applications for new loan guarantees; $100,000 for the Winnipeg Arts Club Co-operative Inc. and $10,000 for the Weanling Improvement Sales and Service Co-op Ltd. As at March 31, 1985 these conditions had not been met and the Board had not issued formal guarantees. Subsequent to the year end, conditions were met by the Winnipeg Arts Club Co-operative Inc. and the guarantee was issued.
5. The Board does not charge a fee for any of its loan guarantees.
6. The costs related to the administration and general operation of the Board are paid out of an appropriation of the Department of Co-operative Development.

Manitoba

THE CO-OPERATIVE PROMOTION BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Co-operative Promotion Board for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies described in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

December 6, 1985,
Winnipeg, Manitoba.

Exhibit A

THE CO-OPERATIVE PROMOTION BOARD

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
Current assets:		
Cash	$ 46,117	$ 41,470
Accrued interest receivable	13,534	13,200
Term deposit - Province of Manitoba	52,000	52,000
Total current assets	111,651	106,670
Investments, at amortized cost, Schedule 1	228,642	228,358
	$ 340,293	$ 335,028

LIABILITIES AND EQUITY

	1985	1984
Accounts payable	$ -	$ 100
Contributed capital:		
Provided under "The Wheat Board Money Trust Act" Cap. 291, R.S.M. 1954 (Note 1)	128,800	128,800
Retained earnings, Exhibit B	211,493	206,128
	$ 340,293	$ 335,028

Exhibit B

THE CO-OPERATIVE PROMOTION BOARD

Statement of Income and Retained Earnings for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
Income:		
Interest	$ 32,795	$ 30,426
Amortization of discount on investments	283	283
Total income	33,078	30,709
Expenditure:		
Grants:		
Association of Co-operative Educators	1,500	-
Canadian Association of the Mentally Retarded - Winnipeg Branch	750	-
Co-op College of Canada, Manitoba Region Council	11,000	-
Le Conseil de la Cooperation	-	2,500
Proposed Co-op 75	-	1,000
Red River Art and Craft Co-op	500	-
Proposed St. Norbert Co-op	750	-
Selkirk Committee on Abuse Against Women	500	-
Special service grant	-	2,326
South-west Metis Multi Purpose Co-op	662	-
Teulon Co-op	-	337
Westman Media Co-op Ltd.	-	3,000
	15,662	9,163
General and administrative expenses:		
Audit fee	925	900
Board members' remuneration	480	800
Board members' travel	1,696	3,011
Co-op brochure expenses	1,523	-
Gold medal prize	215	158
Office expenses	810	59
Research study	-	6,000
School awards contest	6,332	-
Sundry	70	4
	12,051	10,932
Total expenditure	27,713	20,095
Net income	5,365	10,614
Retained earnings, beginning of year	206,128	195,514
Retained earnings, end of year, Exhibit A	$ 211,493	$ 206,128

Schedule 1

THE CO-OPERATIVE PROMOTION BOARD

Schedule of Investments
as at March 31, 1985

	Par Value	Cost	Accumulated Discount Amortization	Amortized Cost
Manitoba Hydro-Electric Board **7 1/4% bonds due on** **August 1, 1993**	$ 67,000	$ 61,305	$ 3,337	$ 64,642
La Federation des Caisses Populaires du Manitoba Inc. **11.3% term deposit due on** **July 22, 1986**	64,000	64,000	-	64,000
Co-operative Credit Society of Manitoba **11.5% term deposit due on** **August 30, 1986**	100,000	100,000	-	100,000
	$ 231,000	$ 225,305	$ 3,337	$ 228,642

THE CO-OPERATIVE PROMOTION BOARD

Notes to the Financial Statements
as at March 31, 1985

1. Nature and objectives of the Board

The Co-operative Promotion Board operates under the terms of the Wheat Board Money Trust Act. The Board acts as a trustee for those surplus funds of the original Canadian Wheat Board which were apportioned to Manitoba by the Government of Canada. The total amount apportioned to Manitoba was $128,800 and is held in trust by the Board. The income earned on these funds may be used by the Board for purposes which are consistent with the following objectives specified in the Act:

a. To assist in the development and encouragement of co-operation amongst consumers, producers of natural products, and persons concerned in marketing natural products and in the organization and development of co-operative organizations.

b. To investigate laws relating to co-operative organizations in Manitoba, in other provinces of Canada and in other countries, and to study agencies for and methods of co-operative marketing, production and purchasing, and to report thereon with recommendations of approved matters to the Lieutenant-Governor-in-Council.

c. To promote the general welfare of producers of natural products in the Province and of co-operative organizations in the Province.

2. Accounting policies

a. Income and general and administrative expenses are accounted for on an accrual basis.

b. Grants are reflected as expenditures when paid.

c. Discounts on investments are amortized on a straight line basis over the life of the investment.

3. Services provided by the Province

The Government of the Province of Manitoba provides the services of support staff and other miscellaneous administrative services at no charge to the Board. The cost of these services are not reflected in these financial statements.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE CRIMINAL INJURIES COMPENSATION BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

I report that the records of The Criminal Injuries Compensation Board have been examined under my direction for the year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necesssary in the circumstances.

In our opinion, the accompanying statement, together with the notes thereto, presents fairly the transactions of the Board for the year ended March 31, 1985, on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

May 10, 1985,
Winnipeg, Manitoba.

THE CRIMINAL INJURIES COMPENSATION BOARD

Statement of Receipts and Disbursements
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Receipts:		
Department of the Attorney-General appropriation	$ 1,151,179	$ 960,131
Recoveries - restitutions, insurance	500	12,201
Bank interest, net of charges	1,598	(1,274)
Total receipts	1,153,277	971,058
Disbursements:		
Benefits paid:		
Temporary disability	298,797	392,365
Pensions (Note 2)	641,589	442,048
Medical, dental, prosthetics, etc.	99,237	100,159
Rehabilitation	84,231	50,799
	1,123,854	985,371
Minister of Finance - remittance of recoveries	500	12,201
Total disbursements	1,124,354	997,572
Excess (deficiency) of receipts over disbursements	28,923	(26,514)
Bank overdraft, beginning of year	(39,142)	(12,628)
Bank overdraft, end of year	(10,219)	(39,142)
Reimbursement, in transit, from the appropriation for the fiscal year	10,219	39,142
	$ -	$ -

THE CRIMINAL INJURIES COMPENSATION BOARD

Notes to Financial Statement
for the year ended March 31, 1985

1. Under an Order of the Lieutenant-Governor-in-Council The Workers' Compensation Board (W.C.B.) was designated to administer The Criminal Injuries Compensation Act. All charges for the administration of the Act are paid from the Consolidated Fund of the Province of Manitoba through an appropriation of the Department of the Attorney-General. Under this arrangement, the financial transactions of the Board are processed by the W.C.B. and such transactions are presented in the accompanying financial statement on a cash basis. Administration expenses such as W.C.B. staff salaries and other operating expenses, in respect to this arrangement, are billed to and paid from the appropriation of the Department of the Attorney-General and are reflected in the accounts of W.C.B.. For the year ended March 31, 1985, $161,102 (March 31, 1984 - $135,700) was paid to the W.C.B. for administering the Act.

2. In accordance with The Criminal Injuries Compensation Act, The Criminal Injuries Compensation Board awards pensions to victims of criminal acts. The pensions are paid from funds provided by the Province of Manitoba from the Consolidated Fund. The unfunded present value of the pensions awarded as at March 31, 1985 was determined by the Board to amount to $5,702,103 (1984 - $5,474,712).

Manitoba

LEAF RAPIDS TOWN PROPERTIES LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C and Schedule 1 of the Leaf Rapids Town Properties Ltd. for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

The market value of developed lots held for resale, which are recorded at cost - $225,646, has significantly declined as a result of market conditions. The value of the Industrial Park, which is recorded at cost - $618,023, has also significantly declined under current market conditions. The Board of Directors of the Company is currently addressing this issue and expects to revalue these assets during the fiscal year ending March 31, 1986. Since comprehensive appraisals have not been carried out as yet in respect to the valuation of these properties to establish an appropriate provision for their decline in value, we are unable to estimate what the provision for the decline in value of these properties should have been nor are we able to estimate the related effects on the Company's loss for the year, its retained earnings and assets.

In our opinion, except that no provision has been made for the decline in value of property costs as described above, these financial statements present fairly the financial position of the Company as at March 31, 1985 and the results of its operations for the year then ended and the changes in financial position in accordance with the accounting policies stated in note 1 applied, except for the change in the method of accounting for property taxes as explained in note 9 to the financial statements, on a basis consistent with that of the preceding year.

JWSingleton

J. W. Singleton, C.A.
Assistant Provincial Auditor

December 10, 1985
Winnipeg, Manitoba

Exhibit A

LEAF RAPIDS TOWN PROPERTIES LTD.

Balance Sheet
March 31, 1985

	1985	1984
ASSETS		
Current Assets:		
Cash and short-term deposits	$ 379,681	$ 405,592
Accounts receivable (note 2)	394,980	401,757
Prepaid expense and supplies	12,857	12,312
	787,518	819,661
Developed lots held for resale (note 1(c))	225,646	225,646
Land, buildings and equipment, at cost less accumulated depreciation and cost recoveries (note 3)	6,026,676	6,217,829
Lease costs, net of amortization	6,158	6,907
	$ 7,045,998	$ 7,270,043
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued expense	$ 162,537	$ 155,026
Current portion of long-term debt	172,066	180,849
	334,603	335,875
Long-term debt (note 4)	3,950,261	4,122,327
	4,284,864	4,458,202
SHAREHOLDER'S EQUITY		
Capital stock (note 5)	2,621,100	2,621,100
Retained earnings	140,034	190,741
	2,761,134	2,811,841
	$ 7,045,998	$ 7,270,043

Exhibit B

LEAF RAPIDS TOWN PROPERTIES LTD.

Statement of Income and Retained Earnings
Year Ended March 31, 1985

	1985	1984
Operations (Schedule 1):		
Revenue	$ 1,189,951	$ 1,163,924
Operating expense	951,526	933,164
Depreciation and amortization	228,941	231,725
	1,180,467	1,164,889
Profit (Loss) from operations before other expenses	9,484	(965)
Other expense (income):		
Loss (gain) on land sale	-	(10,865)
Property tax on developed lots held for resale (note 1b)	5,409	-
Interest expense - net (note 6)	45,593	28,835
Corporation capital tax	9,189	9,121
	60,191	27,091
Loss for the year	50,707	28,056
Retained earnings, beginning of year	190,741	218,797
Retained earnings, end of year	$ 140,034	$ 190,741

Exhibit C

LEAF RAPIDS TOWN PROPERTIES LTD.

Statement of Changes in Financial Position
Year Ended March 31, 1985

	1985	1984
Cash was provided by:		
Operations:		
Loss for the year	$ 50,707	$ 28,056
Add depreciation, a non-cash item	228,941	231,725
	178,234	203,669
Decrease (increase) in accounts receivable	6,777	(174,435)
Increase in accounts payable and accrued expense	7,511	58,491
Disposal of land - cost	-	24,469
Total cash provided	192,522	112,194
Cash was used for:		
Increase in prepaid expense and supplies	545	99
Increase in cost of developed lots held for resale	-	5,271
Additions to land, buildings and equipment	37,039	62,645
Reduction of long-term debt	180,849	147,578
Total cash used	218,433	215,593
Decrease in cash	25,911	103,399
Cash on hand, beginning of year	405,592	508,991
Cash on hand, end of year	$ 379,681	$ 405,592

Schedule 1

LEAF RAPIDS TOWN PROPERTIES LTD.

Schedule of Operating Revenue and Expense
Year Ended March 31, 1985

	Revenue from Operations	Operating Expense	Depreciation and Amortization	Operating Income (Loss)	
				1985	1984
Rental property:					
Commercial:					
Town centre retail	$ 166,095	$ 14,803	$ 33,063	$ 118,229	$ 98,324
Town centre hotel	114,529	116,829	47,469	(49,769)	(49,920)
Commercial building	36,984	19,742	9,232	8,010	10,126
Industrial park	32,509	38,269	320	(6,080)	7,883
Mobile home park	30,633	19,627	119	10,887	13,562
Staff housing	13,965	6,848	2,713	4,404	2,519
Non-commercial:					
Recreation centre & municipal offices	186,942	107,981	78,961	-	-
Health centre	76,434	44,149	32,285	-	-
Administration of Town Centre complex:					
Common areas	214,492	212,484	23,452	(21,444)	(21,444)
Maintenance dept.	106,932	105,727	1,205	-	-
Property taxes	113,268	113,268	-	-	-
Insurance	27,510	27,510	-	-	-
Allied heating	29,327	29,327	-	-	-
General & administrative expenses	40,331	94,962	122	(54,753)	(62,015)
	$ 1,189,951	$ 951,526	$ 228,941	$ 9,484	$ (965)

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1985

1. Summary of Significant Accounting Policies:

(a) Basis of accounting:

An accrual basis of accounting is being followed except for accounting for interest on income debentures as described in 1(e) below.

(b) Depreciation:

Depreciation on buildings and equipment is recorded at appropriate rates over the estimated useful lives of the related assets as follows:

Town Centre Building:	
Retail, Whitewater Inn and common areas	2 1/2% straight-line
Commercial Building	5% straight-line
Staff housing	2 1/2% straight-line

Equipment:
Whitewater Inn - various rates from 10% to 20% straight-line
Other - various rates

Depreciation on the non-commercial component of the Town Centre Building, being the facilities leased to the Leaf Rapids School District, Leaf Rapids Health and Social Development Centre and the Town of Leaf Rapids, is recorded at amounts equivalent to the principal reduction of the Series B debentures. Basic rental payments made to the Corporation by these entities are equal to the required payments on the debentures. By March 31, 1995 sufficient funds will have been recovered to equal the total capital costs of these facilities.

(c) Developed lots held for resale:

Developed lots held for resale are valued at cost. Property taxes and any other related costs are charged to operations.

(d) Lease costs:

Lease costs are amortized over the terms of the leases to which they relate.

(e) Interest expense on income debentures:

Interest expense on income debentures, calculated in accordance with the methodology outlined in note 4 to the financial statements, is recorded in the year it is paid.

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1985

2. Accounts Receivable:

Accounts receivable include an amount of $264,119 (net), being administrative cost recoveries assessed to non-commercial tenants over the past ten years. The tenants have acknowledged responsibility for this liability and are currently negotiating terms of a settlement with the Corporation. The Corporation believes that the negotiations should be concluded in the very near future.

3. Land, Buildings and Equipment:

	Cost				
	Land and Buildings	Equipment	Accumulated Depreciation	Cost Recoveries	Net Book Value
Rental property:					
Commercial:					
Town centre retail	$ 1,447,007	$ -	$ 326,330	$ -	$ 1,120,677
Town centre hotel	1,801,348	278,660	660,152	6,000	1,413,856
Commercial building	183,782	-	107,728	-	76,054
Mobile home park	142,881	3,487	3,487	-	142,881
Industrial park	618,023	-	-	-	618,023
Staff housing	82,881	9,475	27,068	-	65,288
Non-commercial:					
School and cinema	2,426,366	-	-	2,426,366	-
Recreation and municipal	1,815,113	-	-	569,162	1,245,951
Health centre	742,137	-	-	232,711	509,426
Exhibition centre	132,554	-	-	132,554	-
Other property:					
Town centre:					
Common areas	940,053	11,747	223,854	-	727,946
Expansion site	93,927	-	-	-	93,927
Other	-	27,007	14,360	-	12,647
	$ 10,426,072	$ 330,376	$ 1,362,979	$ 3,366,793	$ 6,026,676

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1985

4. Long-term Debt:

Government of the Province of Manitoba:

$2,000,000 Series A 8.15% first mortgage debentures secured by the Corporation's land, buildings and equipment, repayable by equal annual instalments of principal and interest in the amount of $122,525 to March 31, 1996.

$4,808,000 Series B 8.15% first mortgage debentures secured by leases with the non-commercial tenants in the Town Centre, repayable by equal annual instalments of principal and interest in the amount of $263,376 to March 31, 1995, in accordance with the varying terms of the leases.

$2,450,000 10% income debentures secured by a floating charge on all assets of the Corporation, second to the first mortgage debentures, repayable by annual instalments equal to one-half of the prior year's cash flow of the Corporation. Such cash flow is determined as that generated from operations less principal repayments made on the debentures. Each annual instalment is applied firstly against annual interest and any remaining balance against principal. Any unpaid interest as a result of such annual repayments is non-cumulative. Such unpaid interest amounted to $121,578 (1984 - $149,858) for the year ended March 31, 1985.

During the year ended March 31, 1985, the following transactions have taken place:

	Series A Debentures	Series B Debentures	Income Debentures	Total
Balance, March 31, 1984	$ 916,227	$ 1,866,622	$ 1,498,577	$ 4,281,426
Annual principal instalments	47,853	-	-	47,853
Annual lease payments	-	111,246	-	111,246
	47,853	111,246	-	159,099
Balance, March 31, 1985	$ 868,374	$ 1,755,376	$ 1,498,577	$ 4,122,327

Other long-term debt:
First mortgage on staff housing:

Bank of Montreal -	Balance March 31, 1984	$ 21,750	
	Repaid during year	$ 21,750	-

Total long-term debt	4,122,327
Less current portion	172,066
	$ 3,950,261

LEAF RAPIDS TOWN PROPERTIES LTD.

Notes to Financial Statements
March 31, 1985

5. Capital Stock:

Authorized:

40,000 common shares, not to exceed $40,000
26,210 8.15% non-cumulative redeemable preferred voting shares, not to exceed $2,621,000.

	1985	1984
Issued and fully paid:		
100 common shares	$ 100	$ 100
26,210 preferred shares	2,621,000	2,621,000
	$ 2,621,100	$ 2,621,100

Ownership:
All issued shares are held by the Minister of Finance, Government of the Province of Manitoba.

6. Interest expense - net:

	1985	1984
Series A debentures	$ 74,672	$ 78,279
Income debentures	28,280	-
	102,952	78,279
Interest income - trust deposits	57,359	49,444
	$ 45,593	$ 28,835

Interest expense on the Series B first mortgage debentures in the amount of $152,130 (1984 - $160,513) is included in operating expense in the statement of income and retained earnings.

Based on the cash flow of the Corporation for the year ended March 31, 1985, an interest payment on the income debentures of $9,568 will be paid and expensed in the next fiscal year.

7. Related parties:

As previously noted ownership of all issued shares of the Corporation is held by the Minister of Finance, Government of the Province of Manitoba. In addition to capital stock held, the long-term debt described in note 4 and the interest expense described in note 6, the Corporation has the following balances with the Government of the Province of Manitoba and its agencies reflected in these financial statements as at March 31:

	1985	1984
Trust deposits	$ 444,877	$ 454,456
Accounts receivable	81,191	84,401
Accounts payable	14,332	17,804

8. Guarantee:

On August 11, 1980, the Corporation entered into a guarantee of a lease obligation in the aggregate amount of $98,279 between Everton Enterprises Limited and First Canadian Leasing. The lease agreement provides for monthly payments of $1,488 for a term of 70 months maturing June 1986. The guarantee outstanding at March 31, 1985 is $23,838.

9. Change in accounting policy:

Effective the year ended March 31, 1985 property taxes and other costs related to developed lots held for resale were charged to operations. In prior years the above amounts were capitalized. Property taxes in 1985 were $5,409. There were no other related costs. This change was not applied retroactively and prior year figures have not been changed.

LE CENTRE CULTUREL FRANCO-MANITOBAIN

RAPPORT DU BUREAU DU VÉRIFICATEUR PROVINCIAL

Nous avons examiné les états financiers, les tableaux A, B, C, D, E, et F, de Le Centre culturel franco-manitobain pour l'année fiscale terminée le 31 mars 1985. Notre vérification a été faite selon les normes de vérification généralement reconnues et par conséquent a compris des sondages et d'autres procédures que nous avons jugées nécessaires dans les circonstances.

À notre avis, ces états financiers, présentent fidèlement la situation financière de la corporation au 31 mars 1985 et les résultats de ses opérations pour l'année terminée à cette date conformément aux principes de comptabilité tels qu'énoncés dans la note 1 des états financiers et à la méthode de l'année précédente. L'adoption des comptes de fonds devient rétroactive, telle qu'expliquée dans note 1(b).

F. H. Jackson, C.A.,
Vérificateur provincial.

Le 22 août 1985,
Winnipeg, Manitoba.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D, E, and F, of Le Centre Culturel Franco-Manitobain for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements, present fairly the financial position of the corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied, after giving retroactive effect to the adoption of the fund accounts as explained in note 1(b), on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

August 22, 1985,
Winnipeg, Manitoba.

Tableau/Exhibit A

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Bilan
au 31 mars 1985

ACTIF	1985	1984
Actif à court terme:		
En caisse	$ 75,591	15,960
Subventions à recevoir	2,232	6,607
Autres comptes à recevoir	31,634	30,892
Dépenses payées à l'avance	17,063	13,982
	$ 126,520	67,441
PASSIF		
Passif à court terme:		
Comptes à payer	$ 33,797	28,467
Dépôts pour loyers et dommages	3,600	4,200
Subventions reportées	46,743	-
	84,140	32,667
Subventions capitales, tableau B	-	2,200
Fond général:		
Fond pour projets futurs, tableau C (note 1)	14,056	6,065
Fond d'opérations courantes, tableau D (note 1)	28,324	26,509
	42,380	32,574
	$ 126,520	67,441

Tableau/Exhibit A

Balance Sheet
as at March 31, 1985

	1985	1984
ASSETS		
Current assets:		
Cash	$ 75,591	15,960
Grants receivable	2,232	6,607
Other accounts receivable	31,634	30,892
Prepaid expenses	17,063	13,982
	$ 126,520	67,441
LIABILITIES		
Current liabilities:		
Accounts payable	$ 33,797	28,467
Rental and damage deposits	3,600	4,200
Unearned grants	46,743	-
	84,140	32,667
Capital grants, Exhibit B	-	2,200
General Fund:		
Future projects fund account, Exhibit C (note 1)	14,056	6,065
Operating fund account, Exhibit D (note 1)	28,324	26,509
	42,380	32,574
	$ 126,520	67,441

Tableau/Exhibit B

LE CENTRE CULTUREL FRANCO-MANITOBAIN

État des subventions, capitaux, recettes et déboursés pour l'année se terminant le 31 mars 1985

	1985	1984
Fonds non dépensés au début de l'exercice	$ 2,200	11,571
Transactions pour l'année:		
Recettes - Gouvernement du Manitoba	-	40,000
Déboursés - ameublement et équipement	(2,200)	(49,371)
	(2,200)	(9,371)
Fonds non dépensés à la fin de l'exercice, Tableau A	$ -	2,200

Tableau/Exhibit B

Statement of Capital Grants Receipts and Disbursements for the year ended March 31, 1985

	1985	1984
Unexpended funds, beginning of year	$ 2,200	11,571
Transactions for the year:		
Receipts - Government of Manitoba	-	40,000
Disbursements - furnishings and equipment	(2,200)	(49,371)
	(2,200)	(9,371)
Unexpended funds, end of year, Exhibit A	$ -	2,200

Tableau/Exhibit C

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Fonds retenus pour projets futurs
pour l'année se terminant le 31 mars 1985

	1985	1984
Solde au début de l'exercice	$ 6,065	-
Revenu net - vente Nevada et le marché aux puces	8,964	6,065
Déboursés	(973)	-
	7,991	6,065
Solde à la fin de l'exercice, Tableau A	$ 14,056	6,065

Tableau/Exhibit C

Future Projects Fund Account
for the year ended March 31, 1985

	1985	1984
Balance beginning of year	$ 6,065	-
Transactions for the year:		
Revenue: net proceeds - Nevada tickets and Flea Market	8,964	6,065
Disbursements	(973)	-
	7,991	6,065
Balance end of year, Exhibit A	$ 14,056	6,065

Tableau/Exhibit D

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Fonds pour opérations courantes
pour l'année se terminant le 31 mars 1985

	1985	1984
Solde au début de l'exercice	$ 26,509	44,856
Transactions pour l'année:		
Revenus excédents (sous) les dépenses:		
Fonctionnement général, tableau E	2,557	(13,369)
Programmation culturelle, tableau F	(742)	(4,978)
	1,815	(18,347)
Solde à la fin de l'exercice, Tableau A	$ 28,324	26,509

Tableau/Exhibit D

Operating Fund Account
for the year ended March 31, 1985

	1985	1984
Balance beginning of year	$ 26,509	44,856
Transactions for the year:		
Revenues over (under) expenditures:		
General Operations, Exhibit E	2,557	(13,369)
Cultural Programs, Exhibit F	(742)	(4,978)
	1,815	(18,347)
Balance end of year, Exhibit A	$ 28,324	26,509

Tableau/Exhibit E

LE CENTRE CULTUREL FRANCO-MANITOBAIN

État des revenus et dépenses - Fonctionnement général pour l'année se terminant le 31 mars 1985

Revenus:	1985	1984
Gouvernement du Manitoba - subvention de base	$ 238,500	231,600
Locations de salles (note 3)	81,716	80,059
Loyers des bureaux et restaurant (note 3)	31,847	31,838
Vente de concession	71,405	59,682
Intérêts	10,732	4,545
Photocopies	5,568	6,864
Commissions	5,104	4,055
Services techniques	7,657	963
Divers	686	824
Total des revenus	453,215	420,430
Dépenses:		
Salaires	219,747	201,808
Papeterie et dépenses des bureaux	6,697	11,535
Frais professionnels	3,960	5,309
Ordinateur	4,644	14,051
Téléphone	4,919	2,631
Réunions et déplacements	5,850	9,037
Publicité	5,405	8,829
Location d'équipement	10,179	11,555
Avantages sociaux des employés	16,035	12,437
Taxe provinciale sur salaires	3,171	2,794
Frais bancaires et intérêts	2,090	1,057
Assurances et permis	3,371	4,222
Réparation et entretien	41,284	21,935
Chauffage, éclairage, eau	46,634	53,136
Buanderie	3,040	3,452
Achats pour concession	34,136	32,402
Spectacle au foyer	7,696	11,280
Services du gymnase	20,785	15,432
Divers	1,921	1,188
Capital	8,415	9,709
Mauvaise créance	679	
Total des dépenses	450,658	433,799
Revenus excédents (sous) les dépenses, tableau D	$ 2,557	(13,369)

Tableau/Exhibit E

Statement of Revenues and Expenditures - General Operations
for the year ended March 31, 1985

	1985	1984
Revenues:		
Government of Manitoba - basic grant	$ 238,500	231,600
Hall rentals (note 3)	81,716	80,059
Office and restaurant rentals (note 3)	31,847	31,838
Concession sales	71,405	59,682
Interest	10,732	4,545
Photocopies	5,568	6,864
Commissions	5,104	4,055
Technical services	7,657	963
Miscellaneous	686	824
Total revenues	453,215	420,430
Expenditures:		
Salaries	219,747	201,808
Stationery and office expenses	6,697	11,535
Professional fees	3,960	5,309
Computer	4,644	14,051
Telephone	4,919	2,631
Meetings and travel	5,850	9,037
Advertising	5,405	8,829
Equipment rental	10,179	11,555
Employee benefits	16,035	12,437
Health and Post Secondary Education Levy	3,171	2,794
Bank charges and interest	2,090	1,057
Insurance and permits	3,371	4,222
Repairs and maintenance	41,284	21,935
Heat, light, water	46,634	53,136
Laundry	3,040	3,452
Concession purchases	34,136	32,402
Foyer entertainment	7,696	11,280
Gymnasium services	20,785	15,432
Miscellaneous	1,921	1,188
Capital	8,415	9,709
Bad debt	679	
Total expenditures	450,658	433,799
Revenues over (under) expenditures, Exhibit D	$ 2,557	(13,369)

Tableau/Exhibit F

LE CENTRE CULTUREL FRANCO-MANITOBAIN

État des revenus et dépenses - Programmation culturelle pour l'année se terminant le 31 mars 1985

	1985	1984
Revenus: (note 4)		
Subventions - Gouvernement du Canada (base)	$ 185,000	181,900
- Gouvernement du Canada (spéciaux)	48,354	21,579
- Gouvernement du Manitoba	6,430	9,399
Autres subventions et dons	2,765	13,010
Frais d'administration - le 100 Nons	7,500	2,600
Admissions, cours, commissions et divers	71,072	56,626
Total des revenus	321,121	285,114
Dépenses: (note 4)		
Salaires	152,330	135,031
Avantages sociaux des employés	10,575	6,052
Taxe provinciale sur salaires	2,150	1,803
Frais professionnels	2,700	2,500
Achats de matériel et dépenses de bureaux	25,712	18,675
Téléphone	3,871	4,303
Locations (note 3)	18,441	13,103
Réunions et déplacements	11,369	12,714
Publicité	24,177	22,033
Salaires occasionnels et travaux à contrat	49,746	63,516
Frais de cours et permis	2,822	2,143
Location d'équipement et divers	14,522	8,219
Location de film	3,448	-
Total des dépenses	321,863	290,092
Revenus excédents (sous) les dépenses, tableau D	$ (742)	(4,978)

Tableau/Exhibit F

Statement of Revenues and Expenditures - Cultural Programs for the year ended March 31, 1985

	1985	1984
Revenues: (note 4)		
Grants - Government of Canada (basic)	$ 185,000	181,900
- Government of Canada (special)	48,354	21,579
- Government of Manitoba	6,430	9,399
Other grants and donations	2,765	13,010
Administration fees - le 100 Nons	7,500	2,600
Admissions, courses, commissions and miscellaneous	71,072	56,626
Total revenues	321,121	285,114
Expenditures: (note 4)		
Salaries	152,330	135,031
Employee benefits	10,575	6,052
Health and Post Secondary Education Levy	2,150	1,803
Professional fees	2,700	2,500
Program materials and office expenses	25,712	18,675
Telephone	3,871	4,303
Rent (note 3)	18,441	13,103
Meetings and travel	11,369	12,714
Advertising	24,177	22,033
Casual help and contract work	49,746	63,516
Course fees and permits	2,822	2,143
Equipment rental and miscellaneous	14,522	8,219
Film rentals	3,448	-
Total expenditures	321,863	290,092
Revenues over (under) expenditures, Exhibit D	$ (742)	(4,978)

LE CENTRE CULTUREL FRANCO-MANITOBAIN

Notes aux etats financiers
le 31 mars 1985

1. Politique de comptabilité

   a) Les états financiers de la Corporation ont été préparés suivant la méthode de comptabilité d'exercice, sauf en ce qui concerne les achats capitaux qui sont considérés comme dépenses à l'année d'acquisition. Le tableau E reflète ces acquisitions capitales, achetées de l'opération générale et le tableau B reflète celles achetées à travers une subvention spéciale de dépenses capitales de la Province du Manitoba.

   b) Le Fond général est approuvé par le Conseil d'administration pour projets variés correspondants aux activités et aux objectifs du Centre culturel franco-manitobain. Le Fond général inclut le fond d'opérations courantes ainsi que le fond pour projets futurs. Le fonctionnement général ainsi que la programmation sont reflétés dans le fond d'opérations courantes.

2. Un édifice à l'usage de Le Centre culturel franco-manitobain a été construit par la Province du Manitoba et la propriété a été enregistrée au nom de Sa Majesté, en droit du Manitoba.

3. Afin de refléter plus exactement le coût de la "Programmation culturelle", la Corporation a entrepris d'inscrire comme dépenses de programmation, l'utilisation de ses propres locaux aux taux de $18,441 soit les taux couramment en vigueur et d'augmenter les revenus de fonctionnement général par un montant égal.

4. Les transactions pour les programmes d'activités culturelles sont présentées au tableau F par la nature de la transaction. Ces transactions peuvent aussi être présentées sur la base d'activité ou de programme, comme suit:

	Revenus	Dépenses
Fonctionnement général	$ 66,275	70,181
Coordination provinciale	8,000	2,875
Programmes d'information	43,135	45,125
Activités communautaires	57,233	57,464
Arts et métiers	35,694	35,843
Spectacles et cinéma	49,453	46,595
Projets spéciaux	61,331	63,780
	$ 321,121	321,863

5. Les chiffres comparatifs pour l'année financière se terminant le 31 mars 1984 ont été révisés conformément à la présentation du rapport financier au 31 mars 1985.

Notes to Financial Statements
March 31, 1985

1. Accounting Policies

   a) The Corporation's financial statements have been prepared using the accrual basis of accounting except for capital acquisitions which are recognized as expenditures in the year of acquisition. Exhibit E reflects those capital acquisitions purchased from General Operations and Exhibit B reflects those purchased with special capital grants from the Province of Manitoba.

   b) The Board classifies resources used for various purposes into separate Fund Accounts which correspond to its major activities and objectives. The General Fund has been segregated into an Operating Fund Account and a Future Projects Fund Account. General Operations and Cultural Programs are reflected in the Operating Fund Account.

2. The building being used for the purposes of Le Centre culturel franco-manitobain has been constructed by the Province of Manitoba and the property is registered in the name of Her Majesty in right of Manitoba.

3. To reflect more accurately the cost of "Cultural Programs", the Corporation has recorded the program utilization of facilities by charging rent of $18,441 to Cultural Programs expenditures at a rate normally charged to other users and has increased revenues of General Operations by an equal amount.

4. Transactions for cultural program activities have been presented in Exhibit F by nature of transaction. These transactions may also be presented on the basis of program or activity, as follows:

	Revenues	Expenditures
General program administration	$ 66,275	70,181
Provincial co-ordination	8,000	2,875
Information program	43,135	45,125
Community activities	57,233	57,464
Arts and crafts program	35,694	35,843
Theatre and film program	49,453	46,595
Special projects	61,331	63,780
	$ 321,121	321,863

5. Comparative figures for the year ended March 31, 1984 have been restated where necessary to conform with the presentation adopted for March 31, 1985.

Manitoba

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 to 3 of The Legal Aid Services Society of Manitoba for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the position of the Fund of The Legal Aid Services Society of Manitoba as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2, Exhibit A, applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

November 12, 1985,
Winnipeg, Manitoba.

Exhibit A

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Fund
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Fund balance beginning of year	$ 17,346	$ 10,042
Excess of receipts over disbursements, Exhibit B	5,081	7,304
Fund balance end of year	$ 22,427	$ 17,346
Fund balance represented by:		
Cash on hand and in bank	$ 270,225	$ 184,003
Outstanding reimbursement from the Government of the Province of Manitoba (Note 2.a)	100,137	-
Cheques issued and outstanding (Note 2.a)	(347,935)	(166,657)
Fund balance end of year	$ 22,427	$ 17,346

1. Objective of the Society

The objective of the Society is to assist individuals, groups and organizations who, left to their own means, could not retain the services of a lawyer. Clients may be charged a fee based on their ability to pay.

Legal aid may be furnished, by the Society's Public Interest Department, to groups and organizations involving matters of an interest common to members of the group and relating to issues of public interest such as, but not restricted to, consumer and environmental issues.

Legal aid may be provided to wards of agencies if they would otherwise be eligible for legal aid. The cost of the legal aid provided is recovered from the agencies.

2. Significant Accounting Policies

a) Cash Basis of Accounting

The Society presents its financial statements on a cash basis with the following exceptions:

i) The Society takes into receipts grants received from the Government of the Province of Manitoba after the end of the fiscal year when these are paid by the Government out of funds voted for the year then ended.

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Fund
as at March 31, 1985
(with 1984 figures for comparison)

2. Significant Accounting Policies (continued)

ii) The Society records as disbursements payments made after the end of the fiscal year of billings for private bar fees and disbursements, when these are reimbursed by the Government out of funds voted for the year then ended. The payments are included in cheques issued and outstanding shown in the Statement of Fund.

b) Fixed Assets

Fixed assets are charged to operations in the year acquired.

c) Pensions

In accordance with the provisions of The Manitoba Civil Service Superannuation Act, the Society contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Society's employees amounted to $527,177 as at December 31, 1984 (1983 - $405,500).

3. Certificate Holdbacks

Acting under the authority of Manitoba Regulations 106/72 and 112/81, the Society's Board of Directors established holdbacks in respect of legal aid certificates approved during the years ended March 31, 1979 and March 31, 1980. The holdbacks are applicable regardless of when the billings for services are rendered.

4. Legal Assistance - Northern Community Councils

The Society administers an agreement between the Government of the Province of Manitoba, Department of Northern Affairs, and a private legal counsel regarding provision of legal advice and service to the Northern Association of Community Councils pursuant to the Northern Flood Agreement. The Society reviews and processes for payment the billings of the legal counsel and is reimbursed by the Government of the Province of Manitoba.

5. General and Administrative Expenses

General and administrative expenses incurred to provide services of the Public Interest Department and the Society's other programs are reflected in the Schedule of General and Administrative Expenses. Subsequent to the final payment in April 1984 of the health and post secondary education tax levy for the prior fiscal year, the levy was paid by The Civil Service Commission, Province of Manitoba and accordingly is not reflected in the financial statements.

Exhibit A

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Fund
as at March 31, 1985
(with 1984 figures for comparison)

6. Significant Commitments, Liabilities and Receivables

	March 31 1985	March 31 1984
Estimated total commitments for future billings on outstanding legal aid certificates	$ 3,498,000	$ 3,308,000
Approximate liability for legal aid certificate billings received but unpaid	$ 493,000	$ 540,000
Approximate liability for duty counsel billings received but unpaid	3,000	4,500
Approximate liability for unpaid general and administrative, Community Law Centre and Public Interest Department operating expenses	84,000	87,000
	$ 580,000	$ 631,500
Accounts receivable respecting contributions and judgements (without allowance for doubtful accounts)	$ 143,000	$ 115,000

Exhibit B

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Statement of Receipts and Disbursements for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
Receipts:		
Government of the Province of Manitoba:		
Grants (Note 2.a)	$ 5,398,434	$ 5,538,825
Salaries and other payments	2,563,629	2,577,285
Legal assistance - Northern Community Councils (Note 4)	7,330	25,926
Government of Canada - grant re Public Interest Department	81,326	56,424
Contributions from clients	97,512	91,128
Recoveries - wards of agencies	64,611	43,085
- Public Interest Department	17,750	5,478
Judgment costs and settlements	31,748	29,403
Interest income	10,316	-
Other	7,663	2,283
Total receipts	8,280,319	8,369,837
Disbursements:		
Private bar fees and disbursements (Note 2.a):		
Legal aid certificates	4,602,018	4,784,901
Less: certificate holdbacks (Note 3)	1,428	5,008
	4,600,590	4,779,893
Duty counsel services	61,350	70,055
	4,661,940	4,849,948
Community Law Centres, Schedule 1	2,408,228	2,349,376
Public Interest Department, Schedule 2	188,230	156,163
General and administrative, Schedule 3	1,009,510	971,986
Contribution to Law Society - Law Phone-In program	-	9,134
Legal assistance - Northern Community Councils (Note 4)	7,330	25,926
Total disbursements	8,275,238	8,362,533
Excess of receipts over disbursements, Exhibit A	$ 5,081	$ 7,304

Schedule 1

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Community Law Centres
Schedule of Operating Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Advertising and information	$ 657	$ 357
Certificate disbursements	118,095	103,132
Duplicating services and supplies	21,511	21,573
Fly-in duty counsel program - travel	35,775	31,092
Furniture, equipment and leasehold improvements - net of disposals	12,721	8,476
Health and post secondary education tax levy	6,580	23,935
Library	20,770	26,968
Maintenance	15,202	15,012
Meetings and seminars	5,777	5,781
Office and postage	104,010	80,302
Rent	85,633	85,677
Salaries and benefits - professional	1,484,093	1,480,434
- clerical	354,279	346,295
Staff recruitment	9,202	1,038
Stationery and forms	2,854	2,414
Sundry	187	561
Telephone	59,961	54,482
Travel	55,085	46,925
Utilities	15,836	14,922
Total, Exhibit B	$ 2,408,228	$ 2,349,376

Schedule 2

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Public Interest Department
Schedule of Operating Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Expert witnesses and consultants	$ 28,373	$ 17,527
File disbursements	4,657	6,506
Health and post secondary education tax levy	871	1,542
Salaries and benefits	145,018	123,628
Sundry	5,565	1,876
Travel	3,746	5,084
Total, Exhibit B	$ 188,230	$ 156,163

Schedule 3

THE LEGAL AID SERVICES SOCIETY OF MANITOBA

Schedule of General and Administrative Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Advertising and information	$ 1,068	$ 712
Collections	3,721	4,692
Data processing	36,303	1,719
Directors' fees and expenses	20,047	21,594
Duplicating services and supplies	11,177	8,678
Financial eligibility study	-	5,000
Furniture, equipment and leasehold improvements - net of disposals	20,881	9,011
Health and post secondary education tax levy	3,051	9,978
Library	5,040	5,554
Maintenance	928	2,647
Meetings and seminars	2,506	2,277
Office and postage	68,024	50,393
Office relocation	4,227	-
Professional fees	14,978	14,736
Rent	56,169	56,092
Salaries, honoraria and benefits	705,774	726,146
Staff recruitment	154	485
Stationery and forms	18,482	17,909
Sundry	453	930
Telephone	25,594	19,397
Travel	8,166	11,175
Utilities	2,767	2,861
Total, Exhibit B	$ 1,009,510	$ 971,986

Manitoba

THE LIQUOR CONTROL COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Liquor Control Commission as at March 31, 1985 and the statements of profit and loss and cash flow and the schedule of sales, cost of sales and gross profit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations and its cash flow for the year then ended in accordance with accounting principles as disclosed in note 1 applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

June 18, 1985,
Winnipeg, Manitoba.

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

BALANCE SHEET
AS AT MARCH 31, 1985
($000's)

ASSETS

	1985	1984
Current Assets:		
Cash on hand and in banks	$ 3,503	$ 2,442
Accounts receivable - claims and other	408	368
Inventory (Note 2)	13,070	11,469
Prepaid expenses and supplies	268	247
	17,249	14,526
Construction in progress (Note 1)	-	52
	$ 17,249	$ 14,578

LIABILITIES

Current Liabilities:		
Net profit payable to the Province of Manitoba	$ 3,472	$ 2,803
Accounts payable - trade and other	7,593	5,645
Manitoba Retail Sales Tax payable	1,464	1,414
Deferred licence fees	220	216
	12,749	10,078
Non-interest bearing working capital advance provided by the Province of Manitoba	4,500	4,500
	$ 17,249	$ 14,578

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 1985
($000's)

	1985	1984
Sales:		
Stores and liquor vendors (Note 3)	$ 171,811	$ 167,512
Licensees	155,006	136,427
	326,817	303,939
Cost of Sales:		
Stores, liquor vendors, licensees	92,031	88,294
Beer purchases for licensees	85,094	74,134
	177,125	162,428
Gross profit	149,692	141,511
Other income (Note 4)	7,438	6,991
	157,130	148,502
General and Administrative Expenses:		
Salaries and benefits	12,341	12,011
Superannuation	767	718
Alterations, maintenance and repairs	444	406
Audit, legal and other professional fees	67	130
Cleaning and caretaking	448	417
Corporation capital tax	10	10
Delivery charges	930	918
Equipment rentals (Note 6)	365	312
Grants in lieu of taxes	454	446
Health and post secondary education tax levy	190	185
Informational programs	151	132
Insurance	11	12
Leased premises - rentals (Note 6)	1,731	1,562
Light, heat, power and water	223	211
Photo ID program	20	11
Printing, postage and stationery	302	244
Protective services	120	136
Staff training	33	42
Telephones	124	106
Travelling	78	71
Wrapping supplies	287	276
Miscellaneous	78	90
Chief Inspector's Division:		
Salaries and benefits	790	787
Operating expenses	152	182
Board of Commissioners - salaries and expenses	48	51
Licensing Board - salaries and expenses	42	44
	20,206	19,510
Operating profit before fixed assets charged to operations	136,924	128,992
Fixed assets charged to operations (Notes 1 and 5)	952	889
Net profit paid or payable to the Province of Manitoba	$ 135,972	$ 128,103

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 1985
($000's)

	1985	1984
Cash Receipts:		
Sales - spirits, wine, beer	$ 326,817	$ 303,939
Annual and supplementary licence fees and other	7,405	6,829
Manitoba Retail Sales Tax	20,081	19,446
	354,303	330,214
Cash Disbursements:		
Purchases - merchandise, federal duty, excise and sales taxes, etc.	177,153	160,017
General and administrative expenses	19,908	19,411
Fixed assets charged to operations	878	700
Manitoba Retail Sales Tax	20,000	19,490
	217,939	199,618
Net cash available for transfer	136,364	130,596
Transfers to Minister of Finance:		
Current year profit	132,500	125,300
Prior year profit	2,803	4,646
	135,303	129,946
Excess of receipts over disbursements/transfers	$ 1,061	$ 650
Represented by increase in cash in bank:		
Cash on hand and in bank April 1	$ 2,442	$ 1,792
Add excess of receipts over disbursements/transfers	1,061	650
Cash on hand and in bank March 31	$ 3,503	$ 2,442

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

SCHEDULE OF SALES, COST OF SALES AND GROSS PROFIT FOR THE YEAR ENDED MARCH 31, 1985

($000's)

	Spirits	Wine	Beer	Total
Sales:				
Stores and liquor vendors	$ 126,846	$ 31,575	$ 13,390	$ 171,811
Licensees	23,009	6,889	125,108	155,006
Total Sales for 1985	$ 149,855	$ 38,464	$ 138,498	$ 326,817
Total Sales for 1984	$ 145,139	$ 37,246	$ 121,554	$ 303,939
Cost of Sales:				
Stores, liquor vendors, licensees	$ 64,887	$ 19,422	$ 7,722	$ 92,031
Beer purchases for licensees	-	-	85,094	85,094
Total Cost of Sales for 1985	$ 64,887	$ 19,422	$ 92,816	$ 177,125
Total Cost of Sales for 1984	$ 62,546	$ 18,583	$ 81,299	$ 162,428
Gross Profit for 1985	$ 84,968	$ 19,042	$ 45,682	$ 149,692
Gross Profit for 1984	$ 82,593	$ 18,663	$ 40,255	$ 141,511
Gross Profit as a Percentage of Sales for 1985	56.7	49.5	33.0	45.8
Gross Profit as a Percentage of Sales for 1984	56.9	50.1	33.1	46.6

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1985
($000's)

1. ACCOUNTING POLICIES

The Commission follows generally accepted accounting principles with the following modifications:

a. Fixed Assets

Fixed assets are charged to operations in the year acquired.

b. Pensions

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $12,074 as at December 31, 1984 (1983 - $11,114).

2. INVENTORY AT COST

Inventory is composed of:

	1985	1984
In bond merchandise	$ 6,733	$ 6,505
Duty paid merchandise	6,337	4,964
	$ 13,070	$ 11,469

The amount of unpaid Customs, Excise duties and Sales tax on owned merchandise held in bond was approximately $4,118 at March 31, 1985 (1984 - $4,012).

3. SALES - STORES AND LIQUOR VENDORS

	1985	1984
Sales to liquor vendors	$ 30,171	$ 29,033
Volume discounts	(2,341)	(2,262)
	27,830	26,771
Store sales	143,981	140,741
	$ 171,811	$ 167,512

GOVERNMENT OF THE PROVINCE OF MANITOBA

THE LIQUOR CONTROL COMMISSION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1985
($000's)

4. OTHER INCOME

	1985	1984
Supplementary licence fees:		
Licensees		
Brewers	$ 3,640	$ 3,355
Miscellaneous	2,409	2,287
Occasional permits, etc.	759	518
Annual licence fees	347	344
Commission for collecting Manitoba Retail Sales Tax	230	216
Licence application fees	33	197
Disposal of fixed assets	14	15
	6	59
	$ 7,438	$ 6,991

5. FIXED ASSETS

	1985	1984
Fixed assets charged to operations:		
Equipment and furnishings		
Leasehold improvements	$ 412	$ 292
Land and buildings	306	88
Automobiles	90	278
Systems development	76	30
	68	201
	$ 952	$ 889
Included in the above is the cost of fixed assets purchased for the Chief Inspector's Division	$ 59	$ 50

6. LONG-TERM LEASES

a. The Commission owns 12 stores and leases 37 others. Leases have expiry dates ranging from 1985 to 2002.

The future minimum lease payments for each of the next five years are as follows:

Year Ending March 31	
1986	$ 1,102
1987	1,093
1988	1,099
1989	1,045
1990	936

b. The Commission leases Hewlett-Packard and Sperry Univac computer equipment. The lease on the Sperry Univac computer equipment expires July 31, 1985, while the lease on the Hewlett-Packard computer equipment expires February 28, 1987.

The future minimum lease payments for each of the years to the expiry of the contracts are as follows:

Year Ending March 31	
1986	$204
1987	153

7. MANITOBA RETAIL SALES TAX

In addition to the net profit of $135,972, the Commission remitted Manitoba Retail Sales Tax of $20,000 (1984 - $19,490).

8. COMPARATIVE FIGURES

Prior year's comparative figures have been restated to conform to the classifications adopted for the fiscal year ended March 31, 1985.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

MANFOR LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Manfor Ltd. as at September 30, 1984 and the statements of operating deficit, operations and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Company as at September 30, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

W. K. Ziprick, C.A.,
Provincial Auditor.

November 30, 1984,
Winnipeg, Manitoba.

Statement 1

MANFOR LTD.

BALANCE SHEET
AS AT SEPTEMBER 30, 1984

ASSETS

	1984	1983
	(Thousands of Dollars)	
CURRENT		
Accounts receivable - note 2	$ 13,589	$ 11,044
Inventories - notes 1 and 4	19,763	14,452
Prepaid expenses	854	876
	34,206	26,372
LONG TERM RECEIVABLES - note 3	53	206
FIXED - notes 1 and 5		
Land, buildings, machinery, roads, logging facilities and equipment	122,835	103,856
Rental housing properties	1,903	1,844
	124,738	105,700
Less accumulated depreciation	53,030	48,101
	71,708	57,599
DEFERRED CHARGES - note 1		
Start-up and development costs	11,381	11,381
Less accumulated amortization	6,283	6,283
	5,098	5,098
	$ 111,065	$ 89,275

LIABILITIES

	1984	1983
	(Thousands of Dollars)	
CURRENT		
Bank indebtedness - note 6	$ 2,585	$ 1,967
Accounts payable and accrued liabilities	13,021	6,462
Current portion of mortgages payable	33	33
	15,639	8,462
LONG TERM DEBT - note 7	1,188	1,188
	16,827	9,650

SHARE CAPITAL AND DEFICIT

SHARE CAPITAL - note 8	184,020	160,020
OPERATING DEFICIT	(89,782)	(80,395)
	94,238	79,625
	$ 111,065	$ 89,275

Statement 2

MANFOR LTD.

STATEMENT OF OPERATING DEFICIT
FOR THE YEAR ENDED SEPTEMBER 30, 1984

	1984	1983
	(Thousands of Dollars)	
BALANCE, BEGINNING OF YEAR	$ 80,395	$ 55,647
Net loss for the year	9,387	24,748
BALANCE, END OF YEAR	$ 89,782	$ 80,395

Statement 3

MANFOR LTD.

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED SEPTEMBER 30, 1984

	1984	1983
	(Thousands of Dollars)	
SALES		
Pulp and paper	$ 67,549	$ 57,407
Lumber	5,495	6,751
Other	649	671
	73,693	64,829
EXPENSES		
Cost of sales	58,456	62,265
Selling expenses	10,271	10,976
General and administrative	8,652	7,663
	77,379	80,904
OPERATING LOSS	3,686	16,075
OTHER EXPENSES		
Interest	146	3,140
Depreciation - note 1	5,559	5,284
(Gain) loss on sale of fixed assets	(4)	79
Sales tax assessment	-	40
Write down fence post plant	-	130
	5,701	8,673
NET LOSS FOR THE YEAR	$ 9,387	$ 24,748

Statement 4

MANFOR LTD.

STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 1984

	1984	1983
	(Thousands of Dollars)	
SOURCE OF FUNDS		
Proceeds from sale of fixed assets	$ 229	$ 208
Assumption of mortgage payable	32	-
Proceeds from Government grants	4,315	167
Reduction in long term receivables	154	159
	4,730	534
Province of Manitoba		
Issue of preferred shares	24,000	79,988
Issue of income debentures	-	4,401
Advances	-	6,953
	24,000	91,342
	28,730	91,876
APPLICATION OF FUNDS		
Applied to operations (net loss less depreciation and fixed asset losses)	3,832	19,257
Additions to fixed assets	24,209	2,737
Decrease in mortgages payable	32	55
	28,073	22,049
Province of Manitoba		
Retirement of long term debt	-	105,739
Repayment of advances	-	17,520
	-	123,259
Less capital deficit account written off	-	51,271
	-	71,988
	28,073	94,037
INCREASE (DECREASE) IN WORKING CAPITAL	657	(2,161)
Working capital, beginning of year	17,910	20,071
WORKING CAPITAL, END OF YEAR	$ 18,567	$ 17,910
Represented by		
Current assets	$ 34,206	$ 26,372
Current liabilties	15,639	8,462
	$ 18,567	$ 17,910

MANFOR LTD.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1984

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies of the company.

(a) Inventories

Inventories are valued using the following methods:

Log inventories - lower of cost and net realizable value

Work in process (pulp chips, pulp and lumber) - lower of cost and net realizable value

Finished goods (pulp, paper and lumber) - lower of cost and net realizable value

Mill stores, chemicals, fuel and other supplies - lower of cost and replacement cost

Cost is generally determined on an average cost basis.

(b) Depreciation

Depreciation is being applied on the following basis:

Fixed assets, except those pertaining to the Woodlands and Real Estate Divisions, and all mobile equipment, are depreciated on a straight-line pooled basis over twenty years. The cost of fixed assets removed less recovery from disposal proceeds is charged to accumulated depreciation. Gains and losses incurred on the disposal of fixed assets pertaining to the Woodlands and Real Estate Divisions and mobile equipment are credited or charged to operations.

Woodlands Division:

Camp buildings	- straight-line over ten years
Logging equipment	- hours used related to estimated total useable hours
Roads and railspurs	- timber delivered to the millsite related to estimated total yield of area serviced
Other equipment	- straight-line over three to twenty years

Real Estate Division:

Rental housing properties	- straight-line over forty years

Mobile Equipment	- hours used related to estimated total useable hours

(c) Deferred Charges

Deferred charges consist of start-up and development costs of $11,381,000 being net expenditures by the Receiver on operations during receivership exclusive of depreciation charges and interest charges by the Manitoba Development Corporation. The company established a policy of amortizing the deferred charges to the extent of income available in each year.

(d) Foreign Exchange

Current assets and liabilities of the company expressed in United States dollars are translated into Canadian dollars at the rate of exchange on the balance sheet date. The resulting net gain or loss is reflected in operations.

(e) Restatement of 1983 figures

Certain 1983 figures have been reclassified to provide proper comparisons to 1984.

2. ACCOUNTS RECEIVABLE

	1984	1983
	(Thousands of Dollars)	
Trade	$ 8,726	$ 10,419
Due from Receiver	117	117
Other	444	379
Current portion of long term receivable	121	129
Government of Canada, D.R.I.E., accrued portion - note 5	4,181	-
	$ 13,589	$ 11,044

3. LONG TERM RECEIVABLES

During 1982 camp facilities at Talbot Lake were sold to Moose Lake Loggers Ltd. Repayment of the note is based on production purchased from Moose Lake Loggers Ltd. with interest based on floating current rates.

4. INVENTORIES

Inventories consist of the following:

	1984	1983
	(Thousands of Dollars)	
Raw materials	$ 8,330	$ 4,131
Work in process	977	911
Finished goods	3,585	2,953
Mill stores, chemicals, fuel and other supplies	6,871	6,457
	$ 19,763	$ 14,452

5. FIXED ASSETS

Land, building, machinery, roads, logging facilities and equipment, except the machinery plant, were valued on the basis of inventoried expenditures to the date of receivership, January 7, 1971, amounting to $64,753,000, including a reasonable assessment for engineering and supervision fees and interest charges. The Engineering Division fixed assets were valued at $500,000 on the basis of an estimated useful value to the integrated operations at January 7, 1971. Subsequent fixed asset additions and construction in progress as at September 30, 1984, have been recorded at cost. The company has deducted government grants received or receivable from the cost of fixed assets acquired. These grants aggregated $16,638,000 as at September 30, 1984.

A major project for the modernization of the pulp and paper mill and the sawmill was initiated during the year. Expenditures on the project to September 30, 1984 total $20,500,000. It is anticipated that additional costs of $28,000,000 will be incurred in order to complete the project, including amounts which have been committed at September 30, 1984 of $13,300,000. It is expected that the project will be completed during the 1985 fiscal year.

Under an agreement with the Government of Canada, Department of Regional Industrial Expansion, the Company will receive $10,058,125 to fund a portion of the costs of the project. Proceeds from the issue of preferred shares to the Province of Manitoba will be used to fund the balance of the project - note 8.

MANFOR LTD.

NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1984

6. BANK INDEBTEDNESS

	1984	1983
	(Thousands of Dollars)	
Bank loan	$ 900	$ 900
Bank overdraft	1,685	1,067
	$ 2,585	$ 1,967

The Company's bank indebtedness is secured by inventories, a general assignment of accounts receivable and an assignment of fire insurance on inventories.

7. LONG TERM DEBT

	1984	1983
	(Thousands of Dollars)	
Mortgages payable on rental properties with interest rates from 6% to 10 1/2% maturing 1995 to 2006	$ 1,221	$ 1,221
Less current portion	33	33
	$ 1,188	$ 1,188

8. SHARE CAPITAL

The Company is wholly-owned by the Province of Manitoba and is incorporated under the authority of The Manitoba Natural Resources Development Act.

During the year, a new class of preferred shares was authorized and designated as Class "B". The previously authorized class of preferred shares was designated as Class "A".

At September 30, 1984, the authorized share capital of the Company is comprised of the following:

Common Shares:

Unlimited number of shares of $1 par value.

8. SHARE CAPITAL (continued)

Preferred Shares:

Class "A"

Unlimited, non-participating, non-voting, carrying a non-cumulative dividend entitlement of 7%, redeemable at $1 per share.

Class "B"

Unlimited, retractable, non-voting, carrying a cumulative dividend entitlement of 11%, redeemable at $1 per share.

Common shares outstanding at September 30, 1983 and 1984	$ 20,000,000
Class "A" preferred shares outstanding at September 30, 1983	140,020,000
Add: Issued during the fiscal year to the Province of Manitoba for additional funding	15,000,000
Class"A" preferred shares outstanding at September 30, 1984	$ 155,020,000
Class "B" preferred shares issued during the fiscal year to the Province of Manitoba for additional funding	9,000,000
Class"B" preferred shares outstanding at September 30, 1984	$ 9,000,000
Total shares issued at September 30, 1984	$ 184,020,000

The arrears of dividends on the Class "B" preferred shares calculated to September 30, 1984 was $246,251.

Subsequent to the year end, an additional $8,803,000 of Class "A" and $5,000,000 of Class "B" preferred shares were issued for cash.

9. COMMITMENTS

Commitments at September 30, 1984, in addition to those disclosed in note 5, relating principally to the purchase of equipment for future delivery and uncompleted contracts, were approximately $1,285,000.

10. UNFUNDED ACTUARIAL LIABILITY

The pension plan for hourly paid employees represented by the Canadian Paperworkers Union was amended effective December 1, 1983 to increase monthly pension benefits. On the basis of an actuarial valuation, this benefit improvement created an unfunded liability at December 31, 1983 of $207,913 which will be funded by annual installments of $19,976 for each of the years 1984 to 2000 in accordance with The Pension Benefits Act.

11. ECONOMIC DEPENDENCE

The Company is economically dependent on the Government of the Province of Manitoba.

12. CHANGE OF NAME

The Company changed its name effective September 30, 1984 from Manitoba Forestry Resources Ltd. to Manfor Ltd.

Manitoba

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to E and Schedule 1, of The Manitoba Agricultural Credit Corporation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of The Manitoba Agricultural Credit Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

June 20, 1985,
Winnipeg, Manitoba.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Exhibit A

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

The Agricultural Credit Corporation Act

ASSETS

	1985	1984
Cash:		
On hand and in bank	$ -	$ 26,418
On deposit with the Minister of Finance	2,977,919	1,981,555
	2,977,919	2,007,973
Accounts receivable:		
Rent	263,138	313,749
Sale of real estate	169	340,573
Conditional incentive grants and accrued interest	35,728	65,997
Other	11,477	5,990
	310,512	726,309
Stocker program advances receivable (Note 3)	1,683,103	920,861
Mortgages, chattels and agreements for sale receivable (Note 4)	195,738,672	181,289,583
Promissory notes receivable (Note 5)	1,458,270	2,202,373
Security agreements receivable (Note 6)	3,424,134	3,251,227
Real estate (Note 8)	7,803,946	6,979,638
Unamortized debt discount and expense	68,442	74,808
	213,464,993	197,452,772
Part III of The Fisheries Act		
Cash on deposit with the Minister of Finance	300,913	43,170
Prepaid expenses	932	817
Loans receivable, less allowance for doubtful accounts of $280,223 (1984 - $240,102)	3,227,097	3,280,802
Chattels acquired by voluntary quit claim, at foreclosed value less recoveries	-	3,500
	3,528,942	3,328,289
	$ 216,993,940	$ 200,781,061

Exhibit A

The Agricultural Credit Corporation Act

LIABILITIES

	1985	1984
Excess of outstanding cheques over bank balance	$ 124,679	$ -
Accounts payable:		
The Province of Manitoba	660,122	617,069
Other	2,071,924	1,616,522
	2,856,725	2,233,591
Advances from the Province of Manitoba (Note 9 a))	207,705,884	192,316,792
Reserve for Working Capital:		
Balance at beginning of year	2,902,389	3,203,705
Less: Excess of expenditure over revenue, Exhibit B	-	301,316
Balance at end of year	2,902,389	2,902,389
	213,464,998	197,452,772

Part III of The Fisheries Act

	1985	1984
Accounts payable	653	-
Advances from the Province of Manitoba (Note 9 b))	3,500,000	3,300,000
Reserve for Working Capital:		
Balance at beginning and end of year	28,289	28,289
	3,528,942	3,328,289
	$ 216,993,940	$ 200,781,061

Exhibit B

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Revenue and Expenditure
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Interest:		
Mortgages, chattels and agreements for sale	$ 19,653,067	$ 16,361,265
Interest rate reduction program	-	1,604,340
Promissory notes	314,130	394,871
Stocker program	158,964	129,666
Security agreements	330,415	201,878
Cash on deposit with the Minister of Finance	6,869	6,038
Term deposit with the Minister of Finance	358,599	196,893
Real estate (Note 11)	997,778	1,204,980
Other	22,208	100,185
	21,842,030	20,200,116
Expenditure:		
Administration, Schedule 1	7,239,987	4,046,758
Financing charges, net:		
Interest on advances from the Province of Manitoba, amortization of debt discount and service charges	22,425,795	19,844,096
Interest rate reduction program, Province of Manitoba	-	1,604,340
	22,425,795	21,448,436
Less:		
Amount assumed by the Province of Manitoba (Note 2 b))	7,823,752	4,993,762
	14,602,043	16,454,674
	21,842,030	20,501,432
Excess of expenditure over revenue	$ -	$ 301,316

The accompanying notes are an integral part of these financial statements.

Exhibit C

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Revenue and Expenditure
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Interest:		
Loans	$ 417,378	$ 385,696
Grant from the Province of Manitoba re administration costs (Note 2 b))	379,600	345,463
	796,978	731,159
Expenditure:		
Administration costs:		
Salaries	243,932	233,332
Audit fees	6,780	6,620
Bad debts	63,763	103,405
Collection expenses	47	651
Corporation capital tax	170	170
Data processing	5,916	6,322
Employee benefits	14,496	11,532
Furniture and fixtures	1,839	106
Health and post secondary education tax levy	3,131	3,063
Miscellaneous	58	200
Postage	1,792	1,590
Rental of office premises	4,378	4,354
Stationery, supplies and equipment rentals	4,605	5,555
Telephone	8,012	7,754
Travelling	23,345	18,217
Workers compensation	1,126	971
	383,390	403,842
Financing charges, net:		
Interest on advances from the Province of Manitoba	413,588	327,317
	796,978	731,159
Excess of revenue over expenditure	$ -	$ -

The accompanying notes are an integral part of these financial statements.

Exhibit D

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Receipts:		
Advances from the Province of Manitoba	$ 29,600,000	$ 32,250,000
Province of Manitoba - Interest reduction program (Note 10)	4,655,225	
Collections on account of mortgages, chattels and agreements for sale:		
Principal	11,123,836	11,498,976
Interest (Note 10)	18,160,133	15,092,881
Interest rate reduction program	-	1,604,340
Other charges	688,068	642,999
	29,972,037	28,839,196
Collections on accounts of promissory notes:		
Principal	435,880	423,598
Interest (Note 10)	349,597	408,297
	785,477	831,895
Collections on account of stocker program advances receivable:		
Principal	1,365,904	991,119
Interest	138,731	125,343
	1,504,635	1,116,462
Collections on account of security agreements receivable:		
Principal	7,441,107	3,504,870
Interest	292,095	97,195
	7,733,202	3,602,065
Collections on account of Manitoba Interest Relief Program (Note 14)		
Principal	117,767	3,000
Interest	31,465	-
	149,232	3,000
Interest:		
On cash on deposit with the Minister of Finance	6,869	6,038
On term deposit with the Minister of Finance	358,599	196,893
	365,468	202,931
Carried forward	$ 74,765,276	$ 66,845,549

Exhibit D

	1985	1984
Disbursements:		
Mortgages and agreements for sale	$ 27,987,357	$ 29,574,301
Promissory notes	74,827	15,874
Stocker program	2,147,180	1,208,506
Land and building, purchases	16,274	157,332
Security agreements	7,580,881	5,591,501
Sundry charges on account of mortgages	694,431	591,247
Taxes charged on land leasing	169,073	145,372
Young farmer rebates	2,218,312	2,102,682
Payments to farmers - Interest reduction program (Note 10)	2,954,678	-
Financing charges paid to the Province of Manitoba:		
Interest on advances and service charges, net	14,573,074	14,555,062
Interest rate reduction program	-	1,604,340
Payment of profit on real estate sales to the Province of Manitoba	-	298,475
Payment to Province of Manitoba of collections on account of Manitoba Interest Rate Relief program (Note 14)		
Principal	117,406	-
Interest	27,609	-
	145,015	-
Carried forward	$ 58,561,102	$ 55,844,692

Exhibit D

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Statement of Receipts and Disbursements
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Receipts:		
Brought forward	$ 74,765,276	$ 66,845,549
Proceeds from term deposit	19,450,000	13,000,000
Proceeds from sale of real estate	1,341,574	108,259
Collections on account of land leasing	701,387	763,261
Collections on account of livestock incentive grants	14,593	7,013
Administration costs - Manitoba Interest Rate Relief Program (Note 14)	44,892	22,898
Miscellaneous	248,692	520,805
Trust account:		
Insurance claim proceeds	32,232	27,000
Real estate sales	-	18,219
	32,232	45,219
Total cash receipts	96,588,646	81,313,004
Cash on hand, in bank and on deposit with the Minister of Finance at beginning of year	2,007,973	2,545,114
	$ 98,606,619	$ 83,858,118

The accompanying notes are an integral part of these financial statements.

Exhibit D

	1985	1984
Disbursements:		
Brought forward	$ 58,561,102	$ 55,844,692
Repayment of capital advances to the Province of Manitoba	14,210,908	10,448,016
Purchase of term deposits	19,450,000	13,000,000
Administration costs	3,361,114	2,409,515
Miscellaneous	138,024	71,347
Trust account:		
Other	32,232	76,575
	32,232	76,575
Total cash disbursements	95,753,380	81,850,145
Cash on hand, in bank, less overdraft, and on deposit with the Minister of Finance at end of year	2,853,239	2,007,973
	$ 98,606,619	$ 83,858,118

Exhibit E

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Part III of The Fisheries Act
Statement of Receipts and Disbursements
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Receipts:		
Province of Manitoba:		
Advances	$ 200,000	$ 600,000
Grant re administration costs	379,600	345,463
	579,600	945,463
Collections on account of loans:		
Principal	2,684,214	1,864,261
Interest	418,874	357,189
	3,103,088	2,221,450
Proceeds from sale of chattels	3,500	-
Total cash receipts	3,686,188	3,166,913
Cash on deposit with the Minister of Finance at beginning of year	43,170	35,696
	$ 3,729,358	$ 3,202,609
Disbursements:		
Loans	$ 2,696,207	$ 2,524,798
Administration costs	318,649	307,324
Interest on advances from the Province of Manitoba	413,588	327,317
Total cash disbursements	3,428,444	3,159,439
Cash on deposit with the Minister of Finance at end of year	300,914	43,170
	$ 3,729,358	$ 3,202,609

The accompanying notes are an integral part of these financial statements.

Schedule 1

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

The Agricultural Credit Corporation Act
Schedule of Administration Expenditure
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Salaries	$ 1,415,930	$ 1,422,977
Advertising	30,801	22,365
Audit fees	27,120	26,480
Bad debts (Notes 2 c) and 7):		
- promissory notes	285,751	399,327
- mortgages, chattels and agreements for sale	2,932,048	1,130,785
- stocker program	39,265	75,849
- land lease program	209,893	87,873
- security agreements	5,188	-
Collection expenses	6,011	4,765
Corporation capital tax	15,606	17,856
Data processing	42,332	43,526
Directors' fees and expenses	24,301	28,216
Ear tags	5,093	3,200
Employee benefits	111,721	88,693
Guaranteed loan losses	1,640,476	266,590
Insurance	858	3,794
Health and post secondary education tax levy	21,553	22,406
Messenger service	5,563	5,435
Miscellaneous	2,449	1,397
Office furniture and equipment	35,084	24,605
Office rental, cleaning, light and power	75,538	75,211
Postage	25,273	23,387
Professional fees	3,600	40,027
Property taxes	71,714	51,216
Real estate maintenance	7,260	11,183
Relocation expenses	8,036	3,641
Stationery, office supplies and equipment rental	44,840	53,132
Telephone	26,705	31,147
Travelling	111,910	74,613
Workers compensation	8,068	7,062
Total administration expenditure, Exhibit B	$ 7,239,987	$ 4,046,758

The accompanying notes are an integral part of these financial statements.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1985

1. The Manitoba Agricultural Credit Corporation is incorporated under a specific statute of the Province of Manitoba, being Chapter A-10 of the Revised Statutes of Manitoba, 1970.

   The Corporation carries out the following programs:

   i) It provides and administers financial assistance to farmers to assist in the development of farms under its Act;

   ii) It provides and administers loans to commercial fishermen under the Manitoba Fisheries Act;

   and the Corporation accounts for each of these programs separately.

2. Significant accounting policies of the Corporation are as follows:

   a) The Corporation operates on the accrual basis of accounting except for the following:

      i) Equipment and office furniture are charged to operations in the year of acquisition.

      ii) Revenue from real estate is not offset by depreciation on farm buildings and equipment acquired together with land purchased for the land leasing operations.

      iii) In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $1,224,145 at December 31, 1984 (1983 - $1,080,045).

   b) In accordance with the Acts under which it operates, the amounts by which the expenditures of the programs it administers exceed the related revenues may be recovered from the Province from its appropriations.

   c) Allowances for doubtful accounts

      The allowances relate to loans and accounts receivable and represent an estimate of probable losses on the accounts outstanding at year end as shown in note 7. Actual losses on loans and accounts receivable are charged to the appropriate allowance when written off by Board resolution. The adjustment of the allowances to the required level is charged to administration expenditure as bad debts.

3. Stocker program advances receivable consisted of the following at March 31:

	1985	1984
Renewable interest bearing advances, 18 month term	$ 1,757,356	$ 1,010,214
Interest free advances, 12 month term, discontinued in 1975-76	19,051	24,843
Interest bearing advances under programs discontinued in 1974-75	12,179	71,362
Accrued interest	66,888	1,991
	1,855,474	1,108,410
Less: allowance for doubtful accounts	172,371	187,549
	$ 1,683,103	$ 920,861

4. A summary of mortgages, chattels and agreements receivable by years in which the instalments become due and payable is as follows:

Receivable Within:	1985	1984
1 year		
Accrued interest	$ 11,673,041	$ 10,075,369
Arrears	5,973,973	5,601,508
Prepayments	(4,807,439)	(4,394,761)
Regular instalments	4,669,240	4,165,368
	17,508,815	15,447,484
2 years - regular instalments	4,983,084	4,355,539
3 years - regular instalments	5,376,034	4,638,517
4 years - regular instalments	5,386,287	4,951,978
5 years - regular instalments	5,491,408	4,830,976
Over 5 years - regular instalments	160,837,285	148,515,147
	199,582,913	182,739,641
Less: allowance for doubtful accounts	3,844,241	1,450,058
	$ 195,738,672	$ 181,289,583

5. Promissory notes receivable are comprised mainly of loans made under the Farm Diversification Plan Program of the Province of Manitoba. Since 1976, those loans, which have been made for the purchase of livestock and equipment, have been secured by means of lien notes on the said livestock and equipment. Other loans under this program are unsecured. This program was terminated in December 1978. A summary of promissory notes receivable by years in which the instalments become due is as follows:

Receivable Within:	1985	1984
1 year		
Accrued interest	$ 173,339	$ 208,030
Arrears	856,117	942,784
Prepayments	(87,450)	(133,921)
Regular instalments	344,127	494,233
	1,286,133	1,511,126
2 years - regular instalments	275,605	368,643
3 years - regular instalments	189,589	306,351
4 years - regular instalments	141,658	210,627
5 years - regular instalments	101,533	150,320
Over 5 years - regular instalments	412,242	539,624
	2,406,760	3,086,691
Less: allowance for doubtful accounts	948,490	884,318
	$ 1,458,270	$ 2,202,373

6. Security agreements receivable consist of advances made to farmers who are registered with the Manitoba Beef Commission and total $3,429,322 less the allowance for doubtful accounts of $5,188. These advances are mainly repayable to the Corporation within fourteen months of disbursement.

At March 31, 1985, accrued interest of $144,083 (1984 - $111,283) and arrears of $311,516 (1984 - $280,469) are included in the total security agreements receivable.

7. Asset account balances are shown net of the following allowances for doubtful accounts (Note 2c)):

Asset	Allowance March 31/84	Adjustment Required 1984/85	Accounts Written-Off 1984/85	Required Allowance March 31/85
a) The Agricultural Credit Corporation Act				
Accounts receivable - rent	$ 251,873	$ 209,893	$ 106,992	$ 354,774
Stocker program	187,549	39,265	54,443	172,371
Mortgages, chattels and agreements	1,450,058	2,932,048	537,865	3,844,241
Promissory notes	884,318	285,751	221,579	948,490
Security agreements	-	5,188	-	5,188
b) Part III - The Fisheries Act				
Loans receivable	240,102	63,763	23,642	280,223

8. Real estate consists of purchases for the land lease program, at cost, and foreclosures, at the lower of the foreclosed amounts or appraised values. Approximately 95% of this real estate has been leased, most of which is subject to an option to purchase.

THE MANITOBA AGRICULTURAL CREDIT CORPORATION

Notes to the Financial Statements
for the year ended March 31, 1985

9. The advances from the Province of Manitoba consisted of the following at March 31:

	1985	1984
a) The Agricultural Credit Corporation Act:		
Advances repayable in equal annual blended principal and interest instalments:		
rates range from 7.5% to 14.75%	$ 188,855,884	$ 173,466,792
Advances repayable at maturity:		
9.625% due May 1, 1989	10,000,000	10,000,000
12.74% due March 3, 2000	8,850,000	8,850,000
	$ 207,705,884	$ 192,316,792
Maturities of principal by fiscal year are as follows:		
1985	$ –	$ 4,331,495
1986	8,025,570	4,760,800
1987	8,904,654	5,235,685
1988	6,161,879	5,761,308
1989	6,430,326	5,985,080
1990	16,802,761	16,308,250
1991 through 2015	161,380,694	149,934,174
	$ 207,705,884	$ 192,316,792
b) Part III of The Fisheries Act:		
Advances repayable on demand, interest payable at prime rates	$ 3,500,000	$ 3,300,000

Notes to the Financial Statements
for the year ended March 31, 1985

10. The Province of Manitoba provided $4,655,225 for the 1984-85 interest reduction program. Of this amount, $2,954,678 was paid directly by the Corporation to farmers. The balance of $1,700,547 was retained by the Corporation and credited to client accounts in arrears.

11. During the year ended March 31, 1985, the Corporation sold eight of its properties. The results were as follows:

	Number of Sales	Sales Proceeds	Cost	Gain
Sales to Lessees:				
Outside Financing	4	$ 436,195	$ 311,640	$ 124,555
Corporation Financing	4	274,756	150,064	124,692
	8	$ 710,951	$ 461,704	$ 249,247

The gains of $249,247 on sales to lessees resulted from adjustments on the exercise of purchase options by lessees of the previously charged lease rates to the lending rates in effect at the date of the lease.

The total gain of $249,247 (1984 - $490,076) has been included in real estate revenue of $997,778 (1984 - $1,204,980).

12. Funds approved but not disbursed as at March 31 amounted to:

a) The Agricultural Credit Corporation Act:

	1985	1984
Direct loans	$ 6,355,900	$ 8,897,500
Corporate loans	593,100	339,300
Stocker program	793,500	584,700
Land lease program	5,500	3,800
Crown land loans	47,700	94,900
Security agreements	416,000	217,200
	$ 8,211,700	$ 10,137,400

The Corporate loans amount includes $279,000 which represents performance bond guarantees to agricultural marketing agencies.

b) Part III of The Fisheries Act:

	1985	1984
Direct loans	$ 326,000	$ 249,700

13. At March 31, 1985, the Corporation was contingently liable as guarantor of loans made under The Agricultural Credit Corporation Act by lending institutions as follows:

a) The Corporation is liable under its guarantee for losses sustained by the lending agencies on loans to individual farmers but the amount of liability to any one agency cannot exceed 10% of the total guaranteed loans made by the agency during a guarantee period. The last of these guarantees was given during the 1983-84 fiscal year. At March 31, the Corporation's contingent liability on the basis of 10% of loans made by agencies during the previous guarantee periods was:

	1985	1984
For the thirty-nine month guarantee period ended March 31, 1981	$ 87,931	$ 87,931
For the three year period ended March 31, 1984	127,790	385,151
	$ 215,721	$ 473,082

13. (continued)

b) The Corporation also fully guarantees loans to individuals for the purpose of farming. The last of these guarantees was given during the 1982-83 fiscal year. At March 31, 1985, these guaranteed loans amounted to $1,272,296 (1984 - $1,408,929).

c) Effective April 1, 1983, a Guaranteed Operating Loan program was introduced. Under this program the Corporation guarantees 12 1/2% of the aggregate total guaranteed loans made by each participating lending institution. As of March 31, 1985 the Corporation's contingent liability amounted to $4,299,685 (1984 - $3,107,213).

14. The Corporation administers the agricultural portion of the Manitoba Interest Rate Relief Program for the Province of Manitoba. The Province has provided grants and deferred recoverable advances to farmers under this program which was initiated during the 1982/83 year. The Corporation monitors compliance with the conditions of the program, collects amounts due and remits them to the Province.

Manitoba

MANITOBA ARC AUTHORITY INCORPORATED

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B of the Manitoba Arc Authority Incorporated for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Manitoba Arc Authority Incorporated as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding period.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

October 15, 1985,
Winnipeg, Manitoba.

Exhibit A

MANITOBA ARC AUTHORITY INCORPORATED

Balance Sheet
as at March 31, 1985

	1985	1984
ASSETS		
Cash in bank	$ 1	$ 1
SHAREHOLDER'S EQUITY		
Share capital:		
Authorized:		
40,000 common shares, with a maximum consideration of $40,000		
Issued and fully paid:		
1 common share	$ 1	$ 1

Exhibit B

MANITOBA ARC AUTHORITY INCORPORATED

Statement of Receipts and Disbursements for the year ended March 31, 1985

	1985	1984
Receipts:		
Funds received from the Government of the Province of Manitoba	$ 154,059	$ 184,938
Disbursements:		
Professional fees	$ 110,195	$ 129,343
Office rentals	25,457	23,721
Project costs	9,218	1,690
Postage and telephone	2,926	3,740
Courier service	1,250	1,354
Printing and stationery	77	2,077
Management board expenses	282	4,525
Other	4,057	5,085
	153,462	171,535
Refund of funds received	597	13,403
	$ 154,059	$ 184,938

MANITOBA ARC AUTHORITY INCORPORATED

Notes to Financial Statements
for the year ended March 31, 1985

1. Incorporation

The Manitoba ARC Authority Incorporated was incorporated and registered under the Corporation's Act of Manitoba on July 14, 1981, to serve as the mechanism for project implementation on behalf of the Government of the Province of Manitoba under the Canada-Manitoba Agreement for Recreation and Conservation on the Red River Corridor (ARC Agreement).

One (1) common share was issued to the Minister of Finance for the Government of the Province of Manitoba on August 5, 1981 for the consideration of $1.00.

2. Accounting Policy

The Authority operates on the cash basis of accounting, receiving reimbursement for all of its disbursements from the Government of the Province of Manitoba from an appropriation of the Department of Urban Affairs.

3. Commitment

As at March 31, 1985, the Authority was responsible for $12,366 for the lease of premises to September 30, 1985.

4. Canada-Manitoba Agreement for Recreation and Conservation on the Red River Corridor (ARC Agreement)

The existing ARC Agreement expired March 31, 1985. An agreement has been reached in principal for an additional three year term to March 31, 1988. The Authority is continuing to administer the projects during 1985, but expects to wind-up its affairs by December 31, 1985. After that date it will no longer serve as the mechanism for project implementation on behalf of the Government of the Province of Manitoba.

Manitoba

MANITOBA ARTS COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to D and Schedules 1 to 4, of the Manitoba Arts Council for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Manitoba Arts Council as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, C.A.,
Provincial Auditor.

August 30, 1985,
Winnipeg, Manitoba.

Exhibit A

MANITOBA ARTS COUNCIL

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
Cash and term deposits	$ 656,770	$ 372,196
Marketable securities (Note 3)	1,027,000	37,000
Accounts receivable	31,115	24,231
Accrued interest receivable	5,609	8,081
Prepaid expenses	139	-
	$ 1,720,633	$ 441,508

LIABILITIES

	1985	1984
Accounts payable and accrued liabilities	$ 36,395	$ 17,988
Unpaid commitments for:		
Operating grants and programs	551,680	357,881
Manitoba Arts Gaming Fund Commission distributions	45,281	-
	633,356	375,869
Funds in Trust:		
Manitoba Arts Gaming Fund Commission, Schedule 3 (Note 4)	115,334	-
Total Liabilities	748,690	375,869

SURPLUS

	1985	1984
Jack Hassard Memorial Trust, Exhibit C (Note 5)	2,500	2,500
Reserve for special projects, Exhibit D (Note 7)	711,263	-
Retained income, Exhibit D	258,180	63,139
	971,943	65,639
	$ 1,720,633	$ 441,508

Exhibit B

MANITOBA ARTS COUNCIL

Statement of Income and Expenditures
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Income:		
Province of Manitoba - general grant	$ 1,506,300	$ 1,316,800
- Careerstart	5,400	-
- special grant	-	7,000
	1,511,700	1,323,800
Western Lottery-Manitoba Distributor Inc.	505,982	1,002,694
The Manitoba Lotteries Foundation	2,153,318	-
Investment income	53,761	28,504
	4,224,761	2,354,998
Expenditures:		
Operating grants and programs:		
Grants to Organizations, Schedule 1	2,015,497	1,764,247
Arts Exposure Program, net of recoveries	222,370	201,292
Creative Arts Program	413,130	325,050
Student Aid Program	35,150	23,815
Touring Program	135,170	101,209
Arts Development Program	152,392	16,730
Total operating grants and programs	2,973,709	2,432,343
Administrative, Schedule 2	374,241	262,235
Total expenditures	3,347,950	2,694,578
Rescinded grant commitments	29,493	21,141
Excess (deficiency) of income over expenditures for the year, Exhibit D	$ 906,304	$ (318,439)

Exhibit C

MANITOBA ARTS COUNCIL

Statement of the Jack Hassard Memorial Trust
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance at beginning of year	$ 2,500	$ 2,500
Interest earned	275	250
	2,775	2,750
Paid to Portage la Prairie and District Arts Council	275	250
Balance at end of year, Exhibit A (Note 5)	$ 2,500	$ 2,500

Exhibit D

MANITOBA ARTS COUNCIL

Statement of Retained Income
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Retained income at beginning of year	$ 63,139	$ 231,578
Excess (deficiency) of income over expenditures for the year, Exhibit B	906,304	(318,439)
	969,443	(86,861)
Appropriation to reserve for special projects, Exhibit A (Note 7)	711,263	-
Appropriation from Program Development Fund (Note 10)	-	150,000
Retained income at end of year, Exhibit A	$ 258,180	$ 63,139

Schedule 1

MANITOBA ARTS COUNCIL

Schedule of Grants to Organizations
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
DANCE		
Contemporary Dancers Inc.	$ 99,000	$ 90,000
The Royal Winnipeg Ballet:		
General	369,300	330,000
Deficit	-	15,000
The School of the Royal Winnipeg Ballet	20,000	15,000
Total Dance	488,300	450,000
INTERDISCIPLINARY		
Arts Administration Centre, Inc.	27,767	28,692
Total Interdisciplinary	27,767	28,692
LITERARY		
Arts Manitoba Publications Inc.	22,000	20,000
Association of Manitoba Book Publishers	2,980	-
Canadian Authors' Association, Manitoba Branch	11,000	-
Canadian Dimension	-	700
Contemporary Verse II	5,000	4,800
Les Editions du Blé, Inc.	17,550	7,725
Les Editions des Plaines, Inc.	14,200	6,950
HERizons Magazine	-	1,000
Hyperion Press, Limited	17,680	7,250
Manitoba Writers' Guild	17,980	8,500
Midcontinental Media Group Inc.	4,500	4,000
NeWest Publishers Ltd.	1,500	2,000
Opera Canada	1,250	1,000
Pemmican Publications Inc.	15,948	7,250
Pieran Press	500	-
Prairie Fire	10,000	9,500
Prairie Publishers' Group	1,020	2,000
Transmission Publishing	2,000	-
Turnstone Press Limited	31,645	18,680
Queenston House Publishing Co. Ltd.	13,212	12,500
Total Literary	189,965	113,855
MUSIC AND OPERA		
Aurora Musicale, Inc.	4,000	3,500
Canadian Educational Ensemble	2,000	-
Canadian Music Competition	2,000	2,000
S.C. Eckhardt-Gramatte Competition	5,000	4,500
Manitoba Chamber Orchestra Inc.	33,000	14,800
The Manitoba Composers' Association	4,020	-
Manitoba Opera Association Inc.	85,000	77,600

Schedule 1

MANITOBA ARTS COUNCIL

Schedule of Grants to Organizations for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
MUSIC AND OPERA (continued)		
Music Inter Alia	8,700	7,900
National Youth Orchestra of Canada	4,200	4,000
Winnipeg Bach Festival	4,950	4,500
Winnipeg Centennial Folk Festival	50,000	45,000
Winnipeg Singers	8,800	8,000
Winnipeg Symphony Orchestra Inc.:		
General	366,000	356,000
Deficit	15,000	-
Total Music and Opera	592,670	527,800
THEATRE		
Actors' Showcase	30,000	20,000
Agassiz Productions Inc.	8,960	5,500
40 Below Mime Inc.	16,500	15,000
Interact Dramatic Inc.	2,600	-
Le Cercle Molière, Inc.	55,000	50,000
Manitoba Association of Playwrights	4,435	2,500
Manitoba Puppet Theatre	36,300	33,000
Manitoba Theatre Centre	298,000	285,000
National Theatre School of Canada	2,500	2,000
Prairie Theatre Exchange	77,000	70,000
Rainbow Stage Inc.	84,000	80,000
Shared Stage	5,000	2,500
Total Theatre	620,295	565,500
VISUAL ARTS		
Ace Art Inc.	4,000	-
Canadian Artists' Representation (Manitoba)	12,000	12,000
Manitoba Crafts Council	19,000	14,000
Plug In Inc.	25,000	21,800
Winnipeg Film Group	18,000	18,800
Winnipeg Photographers' Group	11,000	7,800
Video Pool Inc.	7,500	4,000
Total Visual Arts	96,500	78,400
Total grants to organizations, Exhibit B	$ 2,015,497	$ 1,764,247

Schedule 2

MANITOBA ARTS COUNCIL

Schedule of Administrative Expenditures
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Advertising	$ 4,322	$ 2,466
Bank charges	805	480
Consultants' fees	30,165	20,948
Council - remuneration	8,118	-
- expenses	2,874	3,626
Equipment and art rentals	4,101	2,337
Furniture and equipment	30,335	3,052
Health and Post Secondary Education Tax Levy	3,075	2,422
Miscellaneous	3,365	2,771
Office rent	32,711	30,554
Office supplies	3,086	2,366
Printing and stationery	13,478	5,379
Professional fees	3,675	3,825
Salaries and benefits	212,096	167,716
Staff development	6,678	534
Telephone	7,254	4,689
Travel - Council members	2,422	4,080
- staff	5,681	4,990
Total administrative expenditures, Exhibit B	$ 374,241	$ 262,235

Schedule 3

MANITOBA ARTS COUNCIL

Statement of Income and Expenditures for
The Manitoba Arts Gaming Fund Commission (Note 4)
for the ten months ended March 31, 1985

	1985
Income	
Revenue from casino event	$ 120,081
Revenue from Gaming Fund of The Manitoba Lotteries Foundation	528,106
Investment income	15,543
	663,730
Expenditures	
Distributions to organizations, Schedule 4	546,580
Direct costs	1,816
	548,396
Excess of income over expenditures, Exhibit A	$ 115,334

Schedule 4

MANITOBA ARTS COUNCIL

Schedule of Distributions to Organizations for The Manitoba Arts Gaming Fund Commission for the ten months ended March 31, 1985

	1985
DANCE	
Contemporary Dancers Inc.	$ 30,634
Les Danseurs de la Rivière Rouge Inc.	3,781
Manitoba Dance Theatre & School Inc.	2,183
The Royal Winnipeg Ballet	48,957
The School of the Royal Winnipeg Ballet	7,000
Total Dance	92,555
INTERDISCIPLINARY	
Arts Space Inc.	20,000
Associated Manitoba Arts Festivals Inc.	2,183
Manitoba Association of Community Arts Councils	5,583
Woman and the Arts	5,000
Total Interdisciplinary	32,766
LITERARY	
Arts Manitoba Publications Inc.	9,000
Canadian Authors' Association, Manitoba Branch	2,183
Manitoba Writers' Guild	5,483
Midcontinental Media Group Inc.	1,500
Total Literary	18,166
MUSIC AND OPERA	
Aurora Musicale, Inc.	2,183
Canadian Music Competition, Manitoba Section	12,183
S.C. Eckhardt-Gramatte Competition	4,819
Manitoba Chamber Orchestra Inc.	13,207
Manitoba Choral Association	2,183
The Manitoba Composers' Association	3,183
Manitoba Opera Association Inc.	30,002
Winnipeg Bach Festival	2,819
Winnipeg Centennial Folk Festival	21,397
Winnipeg Singers	7,183
Winnipeg Symphony Orchestra Inc.	55,001
Total Music and Opera	154,160

Schedule 4

MANITOBA ARTS COUNCIL

Schedule of Distributions to Organizations for
The Manitoba Arts Gaming Fund Commission
for the ten months ended March 31, 1985

	1985
THEATRE	
Actors' Showcase	15,821
Agassiz Productions Inc.	4,683
Association of Community Theatres, Manitoba Inc.	3,183
40 Below Mime Inc./International Festival of Contemporary Mime	14,183
Le Cercle Molière, Inc.	20,000
Manitoba Association of Playwrights	3,019
Manitoba Puppet Theatre	12,821
Manitoba Theatre Centre	40,841
Prairie Theatre Exchange	25,011
Rainbow Stage Inc.	32,801
Total Theatre	172,363
VISUAL ARTS	
Canadian Artists' Representation (Manitoba)	4,683
Manitoba Crafts Council	7,183
Plug In Inc.	7,183
Winnipeg Art Gallery	41,772
Video Pool Inc.	3,883
Winnipeg Film Group	7,183
Winnipeg Photographers' Group	4,683
Total Visual Arts	76,570
Total grants to organizations, Schedule 3	$ 546,580

MANITOBA ARTS COUNCIL

Notes to Financial Statements
for the year ended March 31, 1985

1. Nature of Operations

The Arts Council Act established the Manitoba Arts Council for the purpose of promoting the study, enjoyment, production and performance of works in the arts. The Council may make grants to organizations, whose purposes are similar to those of the Council; provide grants, scholarships or loans to citizens of Manitoba for study or research in the arts; make awards to citizens of Manitoba for outstanding accomplishments in the arts.

2. Accounting Policies

The financial statements are prepared on the accrual basis of accounting except for gaming revenues which are recorded on the cash basis of accounting.

Operating grants and program costs are reflected as expenditures in the accounts when funding is formally approved and committed by Council. Rescinded operating grant and program commitments are reflected in the period in which the decision is made. Rescinded commitments shown in the financial statements reflect cancellations of expenditures of the previous year.

Fixed asset purchases are charged to expenditures in the year of acquisition.

3. Marketable Securities

Marketable securities are recorded at cost and include a variety of short-term investments in the amount of $990,000 that mature within 90 days and a Manitoba Hydro-Electric Board bond in the amount of $37,000 (market value, 1985 - $39,960; 1984 - $37,120) which matures December 17, 1998.

4. Manitoba Arts Gaming Fund Commission

The Manitoba Arts Gaming Fund Commission was created by the Manitoba Arts Council under the terms of an agreement with The Manitoba Lotteries Foundation. The Commission consists of 13 representatives elected from charitable arts organizations, a chairman appointed from the Executive Committee of the Manitoba Arts Council and an ex-officio representative of The Manitoba Lotteries Foundation. The Commission is responsible for recommending the distribution of a share of the gaming revenues to charitable arts organizations in the Province of Manitoba. Administration of the Commission is provided by the Council with only incremental direct costs being charged to the Commission.

MANITOBA ARTS COUNCIL

Notes to Financial Statements
for the year ended March 31, 1985

5. Jack Hassard Memorial Trust

In March 1980 the Manitoba Arts Council designated $2,500 of its retained income to be known as the Jack Hassard Memorial Trust. This is an appropriation to a reserve by the Council and is not a legal obligation. Annually an amount representing interest income, or a minimum of $250, is appropriated to this reserve and is awarded to the Portage la Prairie and District Arts Council for its Jack Hassard scholarship.

6. Lease Commitments

Council has entered lease agreements for office premises, as follows:

(a) 374 Donald Street, Winnipeg, $950 per month until December 31, 1985.

(b) 93 Lombard Street, Winnipeg, basic rental of $30,000 per year, excluding escalation clauses as to taxes, maintenance, and mortgage interest, until April 30, 1988.

7. Reserve for Special Projects

The Manitoba Arts Council appropriated $711,263 of its retained income to a reserve for special projects. This is a result of the unusual increase in gaming revenues for the year ended March 31, 1985. The Council received proceeds in respect of its membership in the Western Lottery-Manitoba Distributor Inc. until the final distribution in February 1985. In addition the Council received proceeds from The Manitoba Lotteries Foundation in respect of the thirteen months ended January 31, 1985. The appropriation to the reserve for special projects was determined as follows:

Proceeds from the Western Lottery - Manitoba Distributor Inc.	$ 505,982
One-thirteenth of the proceeds from The Manitoba Lotteries Foundation	165,640
Allocation of interest income	39,641
	$ 711,263

MANITOBA ARTS COUNCIL

Notes to Financial Statements
for the year ended March 31, 1985

8. Long-Term Commitment

In the previous fiscal year, the Winnipeg Symphony Orchestra Inc. arranged deficit financing by way of a loan of $150,000 from private sources. On March 30, 1984 Council agreed to provide funding of $15,000 per year for the next ten years to the Symphony for repayment of this loan. Funding to Council to this extent has also been guaranteed by the Province.

9. Loan Guarantee

On April 16, 1984 Council signed a guarantee for a line of credit for the Manitoba Puppet Theatre from the Toronto-Dominion Bank against outstanding principal up to $11,000 (1984 - $21,000).

10. Program Development Fund

A Program Development Fund was established by the Council to initiate new programs and expand existing programs which were developmental in nature and which had been identified by the Council as a priority. This Fund was fully utilized during the year ended March 31, 1984 to fund new or expanded programs as approved during that fiscal year.

11. Comparative Figures

Certain comparative figures in the financial statements have been restated to conform with the presentation of the current year.

Manitoba

THE MANITOBA BEEF COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D and E, of The Manitoba Beef Commission for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding period.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

October 15, 1985,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA BEEF COMMISSION

Balance Sheet
as at March 31, 1985

ASSETS

	1985	1984
Current assets:		
Funds on deposit with the Minister of Finance and in bank, less outstanding cheques	$ (644,909)	$ 839,760
Term deposit with the Minister of Finance	3,000,000	2,000,000
Accounts receivable:		
Packers and auction marts	933,105	804,673
Producers, less allowance for doubtful accounts (Note 3)	178,407	189,490
Government of the Province of Manitoba	9,313	36,076
Inventory	46,989	8,045
	$ 3,522,905	$ 3,878,044

LIABILITIES AND FUND ACCOUNT BALANCES

	1985	1984
Current liabilities:		
Accounts payable:		
Producers	$ 2,963,353	$ 1,991,643
Trade accounts	68,224	67,226
	3,031,577	2,058,869
Advance from the Government of the Province of Manitoba (Note 4)	16,000,000	10,000,000
	19,031,577	12,058,869
Fund account balances:		
Stabilization Fund Account (Deficit), Exhibit C	(15,752,712)	(8,204,103)
Administration Fund Account, Exhibit E	244,040	23,278
	(15,508,672)	(8,180,825)
	$ 3,522,905	$ 3,878,044

THE MANITOBA BEEF COMMISSION

EXHIBIT B

Producer Fund Account
Statement of Operations

	For the Year Ended March 31, 1985			For the Year Ended March 31, 1984		
	Finished Cattle	Unfinished Cattle	Total	Finished Cattle	Unfinished Cattle	Total
Revenue:						
Proceeds on sale of cattle	$ 53,862,371	$ 44,469,204	$ 98,331,575	$ 42,715,529	$ 43,125,965	$ 85,841,494
Packer, auction mart, insurance claims and miscellaneous	37,730	4,913	42,643	27,894	14,904	42,798
Live sale expenses from Administration Fund Account, Exhibit E	68,185	-	68,185	-	-	-
Net pool adjustments from Administration Fund Account, Exhibit E	6,049	8	6,057	3,576	55	3,631
Total revenue	$ 53,974,335	$ 44,474,125	$ 98,448,460	$ 42,746,999	$ 43,140,924	$ 85,887,923
Distribution:						
Assessments:						
Producer premiums, Exhibit C	$ 3,424,294	$ 3,150,518	$ 6,574,812	$ 2,169,154	$ 2,707,760	$ 4,876,914
Marketing fees, Exhibit E	272,975	-	272,975	219,076	-	219,076
	3,697,269	3,150,518	6,847,787	2,388,230	2,707,760	5,095,990
Direct charges:						
Assembly fees, etc.	72,025	211	72,236	89,437	97	89,534
Freight	40,085	1,094	41,179	13,554	-	13,554
Insurance	3,663	4,989	8,652	782	4,821	5,603
Manitoba Cattle Producers Association dues	-	-	-	469	4,046	4,515
	115,773	6,294	122,067	104,242	8,964	113,206
Producer settlements	50,161,293	41,317,313	91,478,606	40,254,527	40,424,200	80,678,727
Total distribution	$ 53,974,335	$ 44,474,125	$ 98,448,460	$ 42,746,999	$ 43,140,924	$ 85,887,923

EXHIBIT C

THE MANITOBA BEEF COMMISSION

Stabilization Fund Account
Statement of Revenue and Expenditure and Deficit
for the year ended March 31, 1985

	1985	1984
Revenue:		
Producer premiums:		
Producer Fund Account, Exhibit B	$ 6,574,812	$ 4,876,914
Direct from producers	86,718	183,320
Retroactive marketings	-	27,273
	6,661,530	5,087,507
Provincial premium contributions	1,862,339	2,240,624
Recovery of stabilization payments (Note 5)	115,344	231,250
Total revenue	$ 8,639,213	$ 7,559,381
Expenditure:		
Stabilization payments	$ 16,173,672	$ 12,057,930
Retroactive stabilization payments	-	81,136
Bad debt expense	14,150	64,891
Total expenditure	$ 16,187,822	$ 12,203,957
Excess of Expenditure over Revenue	7,548,609	4,644,576
Deficit, beginning of year	8,204,103	3,559,527
Deficit, end of year, Exhibit A	$ 15,752,712	$ 8,204,103

EXHIBIT D

THE MANITOBA BEEF COMMISSION

Productivity Enhancement Grant Fund Account
Statement of Operations
for the year ended March 31, 1985

	1985	1984
Grant from the Government of the Province of Manitoba	$ -	$ 33,380
Recoveries of grants from producers	188,822	290,538
Less: Bad debt expense	25,597	43,156
	163,225	247,382
	$ 163,225	$ 280,762
Distribution:		
Producers	$ -	$ 33,380
Government of the Province of Manitoba	163,225	247,382
	$ 163,225	$ 280,762

EXHIBIT E

THE MANITOBA BEEF COMMISSION

Administration Fund Account
Statement of Revenue and Expenditure and Fund Account Balance
for the year ended March 31, 1985

	1985	1984
Revenue:		
Grant - Government of the Province of Manitoba	$ 480,000	$ 392,395
Interest	356,297	135,756
Marketing fees, Exhibit B	272,975	219,076
Recovery of provincial premium contributions on cancellation of producers' contracts (Note 7)	34,356	11,697
Miscellaneous	2,034	1,003
Total revenue	$ 1,145,662	$ 759,927
Expenditure:		
Advertising and promotion	$ 24,956	$ 16,947
Audit	23,400	19,950
Bank charges	7,783	2,459
Computer services and equipment	200,500	115,254
Directors' fees and expenses	34,838	44,263
Delivery	7,355	6,231
Dues and subscriptions	263	322
Furniture and fixtures	2,938	18,937
Hall rentals	1,768	1,682
Health and post-secondary education tax levy	6,704	6,706
Fieldmen expenses	32,029	22,371
Live sale expenses to Producer Fund Account, Exhibit B	68,185	-
Miscellaneous	2,874	4,322
Net pool adjustments to Producer Fund Account, Exhibit B	6,057	3,631
Postage and telephone	9,427	13,104
Printing and stationery	19,921	24,226
Repairs and maintenance	184	1,858
Salaries and employee benefits	463,343	440,685
Travel	12,375	10,074
Total expenditure	$ 924,900	$ 753,022
Excess of Revenue over Expenditure	220,762	6,905
Balance, beginning of year	23,278	16,373
Balance, end of year, Exhibit A	$ 244,040	$ 23,278

THE MANITOBA BEEF COMMISSION

Notes to Financial Statements
for the year ended March 31, 1985

1. Status of the Commission

The Manitoba Beef Commission was established on September 1, 1982 by regulation under the Natural Products Marketing Act, to administer regulations respecting the marketing of beef.

The Commission has administrative responsibility for the following:

a) The Manitoba Beef Marketing Plan was established September 1, 1982 by regulation under the Natural Products Marketing Act. The purpose of this Plan is to maximize the return to the producers in the marketing of beef.

b) The Manitoba Beef Stabilization Plan was established September 1, 1982 by regulation under the Farm Income Assurance Plans Act. The purpose of this Plan is to improve the income stability of participating beef producers. There was also support for a limited period through payment of a special Productivity Enhancement Grant to producers joining the Plan. In accordance with the regulations, separate accounts were established for these operations.

The Producer Fund Account was established on March 1, 1983 to account for the sales of finished and unfinished cattle marketed under the Manitoba Beef Marketing Plan.

The Stabilization Fund Account was established effective September 1, 1982 for operation of the Manitoba Beef Stabilization Plan. It accounts for the collection of premiums from producers enrolled in the Manitoba Beef Marketing Plan, and from the Province and the stabilization payments to producers.

The Productivity Enhancement Grant Fund Account was established to account for payment of a Productivity Enhancement Grant to each producer joining the Manitoba Beef Marketing Plan up to January 21, 1983.

The Administration Fund Account was established to account for the Commission's administrative and marketing operations.

2. Significant accounting policies

a) The financial statements have been prepared on an accrual basis of accounting except for capital acquisitions which are being charged to operations at cost in the year acquired.

b) The Commission maintains separate divisions in its accounts for the activities of the Producer Fund Account, Stabilization Fund Account, Productivity Enhancement Grant Fund Account and the Administration Fund Account. The assets and liabilities of all of the fund accounts are combined on the balance sheet.

The Producer Fund Account and the Productivity Enhancement Grant Fund Account by their nature have nil balances at year end.

2. Significant accounting policies (continued)

c) The Government of the Province of Manitoba pays interest charges on the advances to the Commission and provides office space, certain legal, administrative and field services. These expenses are not reflected in the financial statements.

3. Accounts receivable - producers

The accounts receivable from producers consists of:

	1985	1984
Stabilization payments recoverable	$ 149,787	$ 200,208
Productivity enhancement grants	141,827	57,861
Premiums	6,083	27,574
Other	4,625	8,588
	302,322	294,231
Less: Allowance for doubtful accounts	123,915	104,741
	$ 178,407	$ 189,490

4. Advance from the Government of the Province of Manitoba

The Government of the Province of Manitoba authorized repayable advances to the Commission of up to $20,000,000 for the purpose of funding the deficit of the Stabilization Fund Account when revenues are not sufficient to pay the producers' stabilization payments under the Manitoba Beef Stabilization Plan. At March 31, 1985 the amount advanced to the Commission was $16,000,000 (1984 - $10,000,000), of which the Commission had drawn $15,277,510 (1984 - $8,123,707) with the balance of $727,490 (1984 - $1,876,293) maintained on deposit with the Minister of Finance in a trust account.

Interest charged on the advances by the Department of Finance is paid from an appropriation of the Department of Agriculture in the amount of $1,327,603 in 1985 (1984 - $610,945).

5. Termination of contract

A producer may terminate his contract with the Commission at any time. Depending upon the balance of the individual producer account, represented by the producer premiums and stabilization payments, termination by a producer before eight full years will result in a partial return of premiums paid or a partial recovery of stabilization deficiency payments.

THE MANITOBA BEEF COMMISSION

Notes to Financial Statements
for the year ended March 31, 1985

6. Productivity Enhancement Grant Fund Account

The Productivity Enhancement Grant Fund Account was established to account for the payment of special grants to producers joining the Manitoba Beef Marketing Plan during a limited enrollment period. As at March 31, 1985 the Commission had not requested funds from the Province for producers in the amount of $18,994 (1984 - $48,383).

The grants are not fully earned by the producers until they have completed four years of enrollment in the Plan. Any recoveries from producers terminating their contracts before the grants are fully earned are repayable to the Province.

7. Recovery of provincial premium contributions

The provincial premium contribution portion of the stabilization payments recovered from producers is transferred to the Administration Fund Account. For the year ended March 31, 1985 the recovery of the provincial premium contributions transferred to the Administration Fund Account was $34,356 (1984 - $11,697), which represented a recoverable amount of $38,231 (1984 - $28,015) less bad debt expense of $3,875 (1984 - $16,318).

8. Economic dependence

The Commission is economically dependent on the Government of the Province of Manitoba.

FOREST GUENETTE CHAPUT
COMPTABLES AGRÉÉS · CHARTERED ACCOUNTANTS

Gabriel Forest F.C.A.
Lucien Guenette B.A. C.A.
Arthur Chaput, B.A. C.A.
André Blondeau B.A. C.A.
Maurice Morissette C.A.
Gilles Chaput B.A. C.A.

262 RUE MARION
WINNIPEG, MANITOBA
R2H 0T7
233-8593

Auditors' Report

To the Board of Commissioners
The Manitoba Boxing and Wrestling Commission
Winnipeg, Manitoba

We have examined the balance sheet of Manitoba Boxing and Wrestling Commission as at March 31, 1985 and the statements of surplus and of income for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Forest Guenette Chaput

Winnipeg, Manitoba
July 15, 1985

Chartered Accountants

Statement "1"

Manitoba Boxing and Wrestling Commission

Balance Sheet

As At March 31, 1985

	1985	1984
ASSETS		
Current Assets		
Cash on hand	$ 9	43
Cash in bank - chequing	4,366	5,361
- savings	6,187	6,767
- term deposits (Note "1")	87,164	89,106
Accounts receivable	3,170	1,798
Accrued interest receivable	1,529	406
Prepaid expenses	225	225
	$102,650	103,706
LIABILITIES AND SURPLUS		
Current Liabilities		
Accounts payable	$ 2,508	2,045
Performance bond deposits (Note "2")	6,887	5,767
	9,395	7,812
Surplus, Statement "2"	93,255	95,894
	$102,650	103,706

Manitoba Boxing and Wrestling Commission

Statement of Surplus

Year Ended March 31, 1985

	1985	1984
Balance, beginning of year	$ 95,894	89,417
Add: Net income, Statement "3"	-	6,477
Deduct: Net loss, Statement "3"	(2,639)	-
Balance, end of year	$ 93,255	95,894

Statement "3"

Manitoba Boxing and Wrestling Commission

Statement of Income

Year Ended March 31, 1985

	1985	1984
Revenue		
Commssions, licenses, permits and passports	$ 20,086	28,712
Interest income	9,401	7,355
Other income	245	259
	29,732	36,326
Operating expenses		
Grants and donations	8,555	10,090
Secretarial services	6,129	5,079
Conferences and meetings	5,679	7,126
Honoraria	3,600	3,270
Feasibility study (re: permanent site for sports)	3,000	-
Office improvements	1,850	-
Audit and accounting	1,718	1,285
Dues, fees, subscriptions	636	533
Public relations (tickets for events and social functions)	540	165
Legal fees	248	1,098
Bank charges	148	91
Office expenses	145	462
Supplies	109	500
Sundry	14	150
	32,371	29,849
Net income (loss)	$ (2,639)	6,477

Manitoba Boxing and Wrestling Commission

Notes to Financial Statements

As At March 31, 1985

Note "1" Term Deposits

(a)	Institution: First City Trust Amount: Term: March 11 to April 10, 1985 (30 days) Rate of interest: 9 3/4%	$17,164
(b)	Institution: First City Trust Amount: Term: January 9 to April 9, 1985 (90 days) Rate of interest: 9 1/4%	70,000
		$87,164

Note "2" Performance Bond Deposits

Performance bonds are deposited in an interest-bearing savings account. Interest earned is remitted to the promoter upon refund of the deposit.

Manitoba

THE MANITOBA CENTENNIAL CENTRE CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 to 5, of The Manitoba Centennial Centre Corporation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Centennial Centre Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

October 1, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA CENTENNIAL CENTRE CORPORATION

BALANCE SHEET

as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Cash on hand and in bank	$ 48,871	$241,641
Term deposits - Province of Manitoba (Note 2)	439,443	126,206
Accounts receivable	90,481	108,219
Balance of operating grant, Province of Manitoba	-	99,686
Balance of capital grant, Province of Manitoba, Schedule 5	90,837	-
Inventory of bar supplies, at cost	19,441	14,162
Prepaid expenses	14,472	13,062
	$703,545	$602,976
LIABILITIES		
Accounts payable	$270,151	$223,926
Accrued wages	39,583	28,874
Deferred income	1,586	1,294
Deposit on rentals	8,408	7,699
	319,728	261,793
Trust accounts:		
The Maitland Steinkopf Youth Fund, Schedule 2	59,033	56,657
The Manitoba Centennial Citizens' Campaign, Schedule 3	7,203	7,263
The Manitoba Centennial Foundation of the Future, Schedule 4 (Note 3)	12,215	10,722
	78,451	74,642
Reserve for Deductible Costs on Insurance Claims (Note 4)	15,000	15,000
Funds Retained for Working Capital and Future Operations, Exhibit B	290,366	251,541
	$703,545	$602,976

Exhibit B

THE MANITOBA CENTENNIAL CENTRE CORPORATION

FUNDS RETAINED FOR WORKING CAPITAL AND FUTURE OPERATIONS

as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance - beginning of year	$251,541	$269,786
Revenues over (under) expenditures for the fiscal year, Exhibit C	38,825	(18,245)
Balance - end of year, Exhibit A	$290,366	$251,541

Exhibit C

THE MANITOBA CENTENNIAL CENTRE CORPORATION

STATEMENT OF REVENUES AND EXPENDITURES

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenues:		
Rentals:		
Concert Hall	$ 355,090	$ 333,270
Office space	39,296	30,900
Restaurant facilities	52,292	48,998
Bar sales	196,651	219,156
Parking fees	313,638	291,051
Checkroom fees	8,306	8,430
Concession revenue	11,536	13,576
Investment income	15,424	7,218
Miscellaneous income	7,064	414
	999,297	953,013
Province of Manitoba grant	1,201,900	1,201,900
Recovery of expenditures:		
Museum of Man and Nature (Note 5)	769,500	666,000
Others	80,148	75,494
	849,648	741,494
Total revenues, grants and recoveries	3,050,845	2,896,407
Expenditures, Schedule 1		
Administration and general	359,152	342,399
Bar operations	131,923	140,932
Concert Hall front of house (Note 6)	119,931	115,153
Building services and maintenance	1,699,441	1,605,311
Parking service	161,558	155,385
Security service	334,339	332,774
Stage operations	200,518	192,619
	3,006,862	2,884,573
Net capital projects, Schedule 5 (Note 1)	5,158	30,079
Total expenditures	3,012,020	2,914,652
Revenues over (under) expenditures for the fiscal year, Exhibit B	$ 38,825	$ (18,245)

Schedule 1

Page 1

THE MANITOBA CENTENNIAL CENTRE CORPORATION

SCHEDULE OF EXPENDITURES

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Administration and general:		
Salaries and employee benefits	$ 279,011	$ 264,564
Insurance	14,522	15,124
Telephone	14,539	14,360
Printing and stationery	6,991	4,409
Audit and legal fees	7,900	8,200
Other	9,372	10,521
Health and Post Secondary Education tax levy	26,817	25,221
	359,152	342,399
Bar operations:		
Salaries and employee benefits	47,179	45,833
Cost of beverages sold	75,381	86,194
Other	9,363	8,905
	131,923	140,932
Concert Hall front of house:(Note 6)		
Salaries and employee benefits	86,713	82,181
Transportation allowances and other	33,218	32,972
	119,931	115,153
Building services and maintenance:		
Salaries and employee benefits	947,118	877,898
Light, power and water	274,987	257,818
Heat	252,226	220,238
Repairs, maintenance and supplies	152,697	172,215
Minor capital expenditures	27,074	33,230
Other	45,339	43,912
	$1,699,441	$1,605,311

Schedule 1

THE MANITOBA CENTENNIAL CENTRE CORPORATION

SCHEDULE OF EXPENDITURES

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Parking services:		
Salaries and employee benefits	$ 71,163	$ 65,895
Agency fees and expenditures	83,396	83,771
Other	6,999	5,719
	161,558	155,385
Security services:		
Salaries and employee benefits	325,077	319,978
Other	9,262	12,796
	334,339	332,774
Stage operations:		
Salaries and employee benefits	174,637	155,336
Repairs, supplies and equipment	25,881	37,283
	200,518	192,619
Total expenditures, Exhibit C	$3,006,862	$2,884,573

Schedule 2

THE MANITOBA CENTENNIAL CENTRE CORPORATION

THE MAITLAND STEINKOPF YOUTH FUND TRUST ACCOUNT

Summary of Transactions
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance - beginning of year	$ 56,657	$ 53,558
Revenue:		
Investment income	6,380	5,009
	63,037	58,567
Expenditure:		
Greater Winnipeg Schools' Orchestras	1,294	1,350
The Men's Music Club	1,890	560
Winnipeg Area Girl Guides of Canada	820	-
	4,004	1,910
Balance - end of year, Exhibit A	$ 59,033	$ 56,657
Represented by:		
Amount in term deposit	$ 60,923	$ 57,217
Less - Amount payable	1,890	560
	$ 59,033	$ 56,657

Schedule 3

THE MANITOBA CENTENNIAL CENTRE CORPORATION

THE MANITOBA CENTENNIAL CITIZENS' CAMPAIGN TRUST ACCOUNT

Summary of Transactions
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance - beginning of year	$ 7,263	$ 8,161
Revenue:		
Collections on pledges:		
Campaign '70	750	200
Investment income	814	759
	1,564	959
	8,827	9,120
Expenditure:		
Administration costs	485	566
Renovations to "Hall of Renown"	1,130	-
Replacement of seat plaques	9	1,291
	1,624	1,857
Balance - end of year, Exhibit A	$ 7,203	$ 7,263
Represented by:		
Cash in bank	$ (875)	$ 257
Amount in term deposits	8,078	7,465
	7,203	7,722
Less: Accounts payable	-	459
Totals	$ 7,203	$ 7,263

Schedule 4

THE MANITOBA CENTENNIAL CENTRE CORPORATION

THE MANITOBA CENTENNIAL FOUNDATION OF THE FUTURE TRUST ACCOUNT

Summary of Transactions
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance - beginning of year	$ 10,722	$ 9,406
Revenue:		
Investment income	1,493	1,316
Balance - end of year, Exhibit A (Note 3)	$ 12,215	$ 10,722
Represented by:		
Amount in term deposit	$ 12,215	$ 10,722

Schedule 5

THE MANITOBA CENTENNIAL CENTRE CORPORATION

CAPITAL PROJECTS

for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Capital Projects:		
Air handling & heat recovery systems - Museum	$ -	$ 82
Alloway Hall window repairs - Museum	11,094	-
Emergency standby power project	-	171,497
Extension of sprinkler system	7,812	-
Fountain renovations	11,553	-
Lighting control replacement	60,622	-
Office reconstruction - Winnipeg Symphony Orchestra	9,118	-
Roof repairs	101,959	-
Total capital projects	202,158	171,579
Less:		
Capital grants - Province of Manitoba:		
Received during the year	106,163	197,000
Amount allocated to progress payments in 1982/83	-	(55,500)
Recoverable, Exhibit A	90,837	-
Total capital grants	197,000	141,500
Net capital projects, Exhibit C (Note 1)	$ 5,158	$ 30,079

THE MANITOBA CENTENNIAL CENTRE CORPORATION

Notes to Financial Statements
March 31, 1985

1. Accounting Policies

The Corporation's financial statements have been prepared using the accrual basis of accounting except for capital acquisitions and pension payments.

Certain of the 1984 figures have been restated to conform with the 1985 financial statement presentation.

Capital projects and other major expenditures are recognized as operating expenditures in the current year except to the extent of funding by capital grants from the Province of Manitoba as reflected separately on Schedule 5.

Pension payments are recognized as operating expenditures only as payments are made under provisions of the Manitoba Civil Service Superannuation Act. The provisions of this Act require the Corporation to contribute 50% of the pension payments being made to retired employees. A provision has not been made in the accounts of the Corporation to fund current or past service obligations to the Civil Service Superannuation Fund. An actuarial report as at December 31, 1983 calculated the value of these liabilities at $731,900. This figure was based on a calculation which provided no allowance for future increases in pension due to increases in the cost of living. Based on a formula set out in the report, the figure at December 31, 1984 amounts to $867,500.

The actuary also reported on the value of these liabilities based on a calculation which made an allowance for future increases in pension due to increases in the cost of living. The value as at December 31, 1983 was $1,051,200. The actuary's formula projects this figure to $1,251,400 as at December 31, 1984.

2. Funds invested with the Province of Manitoba in term deposits as at March 31, 1985, including accrued interest, are as follows:

	Term Deposits	Accrued Interest	Total
Certificates maturing in 90 Days			
Operating Funds	$355,000	$ 3,227	$358,227
Maitland Steinkopf Youth Fund	59,971	952	60,923
Manitoba Centennial Citizens' Campaign	8,000	78	8,078
Five Year Certificate maturing December 31, 1985			
Manitoba Centennial Foundation of the Future	11,821	394	12,215
Total	$434,792	$ 4,651	$439,443

3. In 1969, the Manitoba Centennial Corporation established the "Foundation of the future". The Board of Directors of the Foundation is to be composed of children born on six special dates in 1970, Manitoba's centennial year. The terms of the Foundation's establishment provide that the Board of Directors is to meet on July 15 in the year 2000 when the use of the fund is to be determined. The amount of the original trust was established at $3,050. Based on five year deposit rates with the Province, the Trust has increased to $12,215 at March 31, 1985.

4. The insurance program of the Corporation contains a deductible clause requiring the Corporation to pay the first $5,000 on any one claim with a maximum of $15,000 in any one year. The Corporation has set aside a reserve of $15,000 and, as long as the conditions of the insurance coverage are unchanged, it will be maintained at this level.

5. Operating and maintenance costs include the provision of service to the Centennial Centre as a whole including the Museum of Man and Nature and other organizations located within the Centre. Annual payments from the Museum of Man and Nature for operating costs are set by the Province. The amount set for 1984/85 was $769,500 and the estimated cost of services provided was $974,000.

6. Expenditures designated as "Concert Hall front of house" consist of checkroom, usherette and doorman services.

Manitoba

THE MANITOBA CROP INSURANCE CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Manitoba Crop Insurance Corporation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, after giving retroactive effect to the change explained in note 6, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

June 10, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA CROP INSURANCE CORPORATION

Balance Sheet
As at March 31, 1985

ASSETS

	1985	1984
GENERAL CROP INSURANCE		
Cash on deposit with the Minister of Finance and in bank	$ 2,319,568	$ 2,437,356
Premiums receivable:		
Due from insured persons	1,015,684	1,156,551
Accrued interest	72,255	70,851
	1,087,939	1,227,402
Amount receivable from Reinsurance Fund of Manitoba (Note 2(C))	1,397,512	-
Accounts receivable - Province of Manitoba	25,000	64
Accounts receivable - other	431	488
Due from Hail Insurance	176,704	117,781
Prepaid expenses	8,107	-
	$ 5,015,261	$ 3,783,091
HAIL INSURANCE		
Cash on deposit with the Minister of Finance and in bank	$ 429,988	$ 691,968
Premiums receivable:		
Due from insured persons	364,074	331,331
Accrued interest	26,608	29,824
	390,682	361,155
	$ 820,670	$ 1,053,123
	$ 5,835,931	$ 4,836,214

Exhibit A

LIABILITIES AND RESERVES

GENERAL CROP INSURANCE

	1985	1984
Reinsurance premiums payable (Note 2(C)):		
Government of Canada	$ 154,320	$ 336,165
Province of Manitoba	308,640	336,165
	462,960	672,330
Amount payable to Reinsurance Fund of Manitoba (Note 2(C))	-	481,939
Advances from the Province of Manitoba (Note 3)	4,000,000	2,400,000
Indemnities and other accounts payable (Note 4)	489,032	219,588
Premiums collected in advance	63,269	9,234
Reserve for the Payment of Indemnities, Exhibit B	-	-
	$ 5,015,261	$ 3,783,091

HAIL INSURANCE

	1985	1984
Due to General Crop Insurance	$ 176,704	$ 117,781
Loans from the Province of Manitoba (Note 5)	3,660,000	500,000
Reserve for the Payment of Indemnities (Deficit) Exhibit C	(3,016,034)	435,342
	$ 820,670	$ 1,053,123
	$ 5,835,931	$ 4,836,214

Exhibit B

THE MANITOBA CROP INSURANCE CORPORATION

General Crop Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities
for the year ended March 31, 1985

	1985	1984
Revenue:		
Premiums:		
Insured persons	$ 15,145,689	$ 13,329,528
Government of Canada (Note 2(B))	15,291,019	13,106,194
	30,436,708	26,435,722
Filing fee	3,020	4,127
Administrative expenses recovered from the Province of Manitoba, Schedule 1 (Note 2(D))	4,042,598	3,698,522
Interest	205,816	168,383
Total revenue	34,688,142	30,306,754
Expenditure:		
Administrative expenses, Schedule 1 (Note 2(D))	4,042,598	3,698,522
Reinsurance premiums (Note 2(C)):		
Government of Canada	2,293,653	3,931,858
Province of Manitoba	4,587,306	3,931,858
Discounts	2,736	-
Indemnities	30,566,560	22,297,580
Bad debts (recovered) (Note 6)	(7,198)	171,025
Total expenditure	41,485,655	34,030,843
Revenue under expenditure	$ 6,797,513	$ 3,724,089
Reserve for the Payment of Indemnities:		
Beginning of year	-	-
Recovered from Reinsurance Fund of Manitoba, (Note 2(C))	6,797,513	3,724,089
End of year, Exhibit A	$ -	$ -

Exhibit C

THE MANITOBA CROP INSURANCE CORPORATION

Hail Insurance
Statement of Revenue, Expenditure and Reserve for the Payment of Indemnities for the year ended March 31, 1985

	1985	1984
Revenue:		
Premiums charged to insured persons at established rates	$ 4,603,874	$ 3,520,849
Interest	190,038	141,865
	4,793,912	3,662,714
Expenditure:		
Administrative expenses, Schedule 2	517,238	415,462
Indemnities	7,728,089	3,038,093
Bad debts (recovered) (Note 6)	(39)	61,358
Total expenditure	8,245,288	3,514,913
Revenue over (under) expenditure	(3,451,376)	147,801
Reserve for the Payment of Indemnities (Deficit):		
Beginning of year	435,342	287,541
End of year, Exhibit A	$(3,016,034)	$ 435,342

Schedule 1

THE MANITOBA CROP INSURANCE CORPORATION

General Crop Insurance
Statement of Administrative Expenses
for the year ended March 31, 1985

	1985	1984
Adjusters' wages and expenses	$ 1,114,123	$ 874,248
Administration and field in-service training	12,460	4,711
Advertising	74,807	28,886
Appeal tribunal	1,331	3,031
Audit fee	19,423	20,219
Data processing and rental charges	153,667	141,339
Directors' remuneration and expenses	22,682	20,875
District offices' rentals and miscellaneous	43,303	31,352
Employee benefits	135,955	109,543
Employee relocation	1,845	13,805
Employer share of pensions (Note 2(E))	64,527	58,515
Furniture and equipment purchases (Note 2(F))	34,904	51,991
Health and Post Secondary Education Tax Levy	42,036	38,941
Legal fees	12,764	16,930
Miscellaneous	16,703	19,207
Office equipment rentals	10,381	11,158
Postage	30,277	25,118
Printing, stationery and office supplies	95,154	91,625
Salaries	1,957,308	1,982,710
Special studies	776	9,573
Telephone	41,718	38,966
Travel	134,580	90,113
Workers' compensation	21,874	15,666
Total administrative expenses, Exhibit B	$ 4,042,598	$ 3,698,522

THE MANITOBA CROP INSURANCE CORPORATION

Hail Insurance
Statement of Administrative Expenses
for the year ended March 31, 1985

	1985	1984
Adjusters' wages and expenses	$ 177,507	$ 128,498
Administration and field in-service training	562	147
Advertising	2,866	763
Audit fee	2,158	2,247
Data processing and rental charges	36,280	27,488
Directors' remuneration and expenses	2,534	2,060
District offices' rentals and miscellaneous	4,689	3,094
Employee benefits	15,187	10,810
Employee relocation	206	1,362
Furniture and equipment purchases (Note 2(F))	5,120	4,736
Health and Post Secondary Education Tax Levy	4,696	3,843
Legal fees	1,206	1,308
Miscellaneous	2,014	1,293
Office equipment rentals	1,159	1,101
Postage	3,382	2,479
Printing, stationery and office supplies	16,411	14,209
Salaries	218,646	195,668
Telephone	4,660	3,845
Travel	15,512	8,965
Workers' compensation	2,443	1,546
Total administrative expenses, Exhibit C	$ 517,238	$ 415,462

THE MANITOBA CROP INSURANCE CORPORATION

Notes to Financial Statements
March 31, 1985

1. Authority

The Manitoba Crop Insurance Corporation is incorporated under a specific Statute of the Province of Manitoba, being Chapter C-310 of the Revised Statutes of Manitoba, 1970.

2. Significant Accounting Policies

(A) Programs

The Corporation operates general crop and hail insurance programs for Manitoba farmers and accounts for these programs separately.

(B) Premiums - General Crop Insurance

An agreement between the Governments of the Province of Manitoba and Canada provides for the matching, by Canada, of crop insurance premiums collected from insured persons. The Corporation recognizes as revenue all premiums on crop policies earned during the year, including the matching portion collected from Canada. The insurance premium rates are adjusted annually on the basis of a break-even position being maintained over 25 years of crop loss experience.

(C) Reinsurance Funds

In accordance with the terms of a reinsurance agreement between the Governments of Manitoba and Canada and the Corporation, indemnities for general crop insurance in excess of the Corporation's Reserve are recovered from Reinsurance Funds maintained by Manitoba and Canada. The Governments of Manitoba and Canada credit reinsurance premiums received and charge payments made on account of indemnities to the Funds. Interest is neither credited nor charged to the Funds.

The changes in the Reinsurance Funds for the year ended March 31, 1985 exclusive of the amounts payable and receivable as shown on the Balance Sheet, were as follows:

	Reinsurance Funds	
	Manitoba	Canada for Manitoba
Balances, March 31, 1984	$ 1,421,105	$ 15,575,489
Add:		
Reinsurance premiums	4,614,831	2,475,498
	6,035,936	18,050,987
Less:		
Payments on account of indemnities	4,918,061	-
Balances, March 31, 1985	$ 1,117,875	$ 18,050,987

(D) Administrative Expenses

The agreement between the Governments of the Province of Manitoba and Canada, referred to in section (B) of this note, also stipulates that all administrative expenses relating to the general crop insurance program will be met by the Province of Manitoba. Certain of these costs are common to both the general crop insurance and hail insurance programs and are allocated on a basis approved by the Corporation's Board of Directors. The Corporation's head office and certain of its field office accommodations are provided by the Province of Manitoba at no charge to the Corporation.

(E) Pensions

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Corporation employees amounted to $1,252,056 as at December 31, 1984.

(F) Fixed Assets

Furniture and equipment purchases are charged to operations in the year of acquisition.

3. Advances from the Province of Manitoba.

When necessary, there is provision for the Corporation to receive interest free temporary working capital advances to be used for the payment of indemnities. These advances will be repaid as and when final payments on premiums are received by the Corporation.

4. Indemnities and other accounts payable

These liabilities consist of the following:

	March 31 1985	 1984
Indemnities payable	$ 215,407	$ 160,328
Indemnity claims received but not assessed as yet	120,995	6,456
Other accounts payable	152,630	52,804
	$ 489,032	$ 219,588

THE MANITOBA CROP INSURANCE CORPORATION

Notes to Financial Statements
March 31, 1985

5. Loans from the Province of Manitoba

When necessary, there is a provision for the Corporation to receive interest free loans to be used for the payment of indemnities.

6. Bad debts (recovered)

The Corporation has retroactively changed its policy of accounting for bad debts to now include them as a charge to current operations. While this has had no effect on the balance shown for Reserve for the Payment of Indemnities, it has resulted in an increase (decrease) of revenue under expenditure in General Crop Insurance of ($7,198) in 1985 and $171,025 in 1984 and in Hail Insurance of ($39) in 1985 and $61,358 in 1984.

7. Commitments

The Corporation is committed to lease payments for office premises and computer equipment for the next three years as follows:

1986 - $76,849
1987 - 48,303
1988 - 9,928

8. Comparative Figures

Comparative figures for the year ended March 31, 1984 have been restated, where necessary, to conform with the presentation adopted for the year ended March 31, 1985.

Manitoba

MANITOBA DATA SERVICES

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the statement of financial position of Manitoba Data Services as at March 31, 1985 and the statements of operations, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Data Services as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied, after giving retroactive effect to the change in the method of accounting for pension costs as explained in note 8, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

January 7, 1986,
Winnipeg, Manitoba.

MANITOBA DATA SERVICES

STATEMENT OF FINANCIAL POSITION

ASSETS

At March 31 in thousands of dollars	1985	1984
CURRENT ASSETS		
Cash	$ 244	$ 744
Accounts receivable (Note 3)	4 295	7 676
Investment with the Minister of Finance, Province of Manitoba	3 600	800
Prepaid expenses	62	63
	8 201	9 283
FIXED ASSETS		
Computer equipment (Note 4)	5 941	9 579
Furniture and fixtures	599	466
Leasehold improvements	278	234
	6 818	10 279
Less accumulated depreciation	4 492	4 300
	2 326	5 979
OTHER ASSETS		
Proprietary software	1 170	806
Deferred charges	17	608
	1 187	1 414
Less accumulated amortization	663	984
	524	430
	$11 051	$15 692

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES

STATEMENT OF FINANCIAL POSITION

LIABILITIES AND RETAINED EARNINGS

At March 31 in thousands of dollars	1985	1984
CURRENT LIABILITIES		
Accounts payable (Note 3)	$ 562	$ 4 382
Principal due within one year on advance from Province of Manitoba	1 356	1 027
	1 918	5 409
LONG-TERM LIABILITIES		
Advance from Province of Manitoba (Note 5)	5 095	8 717
Deferred employee compensation (Notes 6 and 8) . .	3 407	2 798
	8 502	11 515
RETAINED EARNINGS (DEFICIT)	631	(1 232)
	$11 051	$15 692

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES

STATEMENT OF OPERATIONS

Year ended March 31 in thousands of dollars	1985	1984
REVENUES		
Data processing services	$17 916	$17 588
Program maintenance	122	119
Miscellaneous	773	685
	18 811	18 392
EXPENSES		
Salaries and administration	8 165	7 294
Computer equipment and software, rental and maintenance	5 211	4 808
Depreciation and amortization	2 002	3 136
Pension (Notes 6 and 8)	565	479
Interest, net		
- Province of Manitoba (Note 5)	420	910
- Other	(39)	(19)
Loss on sale of equipment	624	592
	16 948	17 200
NET EARNINGS	$ 1 863	$ 1 192

STATEMENT OF RETAINED EARNINGS

Year ended March 31 in thousands of dollars	1985	1984
RETAINED EARNINGS (DEFICIT) BEGINNING OF YEAR		
Originally reported	$ 1 301	$ (370)
Adjustment of pension costs (Note 8)	(2 533)	(2 054)
Restated	(1 232)	(2 424)
NET EARNINGS	1 863	1 192
RETAINED EARNINGS (DEFICIT) - END OF YEAR	$ 631	$(1 232)

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended March 31 in thousands of dollars	1985	1984
SOURCES OF WORKING CAPITAL		
Operations including charges not involving an outlay of funds	$ 5 102	$ 5 449
Sale of computer equipment	5 836	398
	10 938	5 847
USES OF WORKING CAPITAL		
Computer equipment and proprietary software	4 724	6 354
Furniture, fixtures and leasehold improvements	183	127
Long-term lease cancellation	-	(543)
Advance from Province of Manitoba	3 622	1 027
	8 529	6 965
INCREASE (DECREASE) IN WORKING CAPITAL	2 409	(1 118)
WORKING CAPITAL - BEGINNING OF YEAR	3 874	4 992
WORKING CAPITAL - END OF YEAR	$ 6 283	$ 3 874

The accompanying notes are an integral part of these statements

MANITOBA DATA SERVICES
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1985

1. ORGANIZATION

Manitoba Data Services is a Commission established by a special Act of the Manitoba Legislature June 15, 1979 to provide electronic data processing services to the Government and government agencies.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements have been prepared in accordance with generally accepted accounting principles.

b. Revenue Recognition

Revenue is recorded as services are provided.

c. Depreciation and Amortization

Depreciation and amortization are calculated on original cost using the straight-line method based on the estimated useful lives of the assets:

	YEARS
Computer equipment	3 to 4
Furniture and fixtures	5 to 10
Leasehold improvements and Proprietary software	3 to 5

d. Pension Plan

Employees of the Commission are participants in the Manitoba Civil Service Superannuation Fund. Pension costs are charged to income in the current year. Actuarial gains and losses as determined by a triennial actuarial review are amortized over a three-year period.

e. Deferred Charges

Deferred charges are comprised principally of costs incurred in integrating the data processing of new clients and are amortized on a straight-line basis over a five-year period.

3. PROCUREMENT

Manitoba Data Services acts as procuring agent for data processing equipment for the Manitoba Government. Included in accounts receivable is $188 000 (1984: $3 736 000) and in accounts payable $20 000 (1984: $3 733 000) related to these procurements. The decrease in year-end balances is due to a policy of direct billing which was implemented toward year-end whereby funds are no longer directed through Manitoba Data Services. Also included in accounts receivable is $512 000 (1984: $501 000) in respect of computer equipment sold to clients on extended terms of which $184 000 is due in fiscal 1986 and $328 000 in fiscal 1987 and subsequent years.

4. LEASES

In August, 1984 Manitoba Data Services entered into a five-year lease agreement with IBM Canada Ltd. for a 3084-QX processor which is not required to be capitalized and is terminable without penalty at the end of any fiscal year. The two former processors (leased 3081-D and owned 3081-G) were disposed of for total net proceeds of $2 266 000 (Note 5).

Future minimum annual lease payments for the IBM 3084-QX processor and office space are as follows:

1986	$3 299 000
1987	3 299 000
1988	3 299 000
1989	2 959 000
1990	1 351 000

5. ADVANCE FROM THE PROVINCE OF MANITOBA

Principal and interest at 10% repayable $2 001 629 per annum through 1990.

	1985	1984
Opening balance	$8 717 000	$9 744 000
Application of net proceeds from disposal of computer equipment (Note 4)	2 266 000	-
Principal due within one year	1 356 000	1 027 000
	$5 095 000	$8 717 000
Interest expense	$ 879 000	$1 123 000
Less income earned on deposits with Minister of Finance	459 000	213 000
	$ 420 000	$ 910 000

6. DEFERRED EMPLOYEE COMPENSATION

a. Pension

All employees of the Commission are required to contribute to the Manitoba Civil Service Superannuation Fund at prescribed rates for defined benefits. The December 31, 1983 triennial actuarial report showed the Fund to be in a sound surplus position.

The Commission is required to reimburse the Superannuation Fund for 50% of all payments made to retired employees. The actuarial present value of this obligation determined in accordance with a formula contained in the triennial actuarial report, including provision for increases in pensions due to increases in the cost of living, is $3 098 000 at March 31, 1985 (March 31, 1984: $2 533 000).

A portion of the funds on deposit with the Minister of Finance has been designated by the Commission in an amount sufficient to fully fund the actuarially-determined future liability.

b. Sick Leave Vesting

A portion of each employee's unused annual sick leave allowance is vested payable on termination of employment. The vested amount as at March 31, 1985 is $309 000 (1984: $265 000).

7. RELATED-PARTY TRANSACTIONS

Substantially all revenue earned by Manitoba Data Services and related accounts receivable are from departments of the Manitoba Government, its crown corporations and agencies.

8. ACCOUNTING POLICY CHANGE

In 1985 the Commission changed its accounting policy for pension costs from a cash basis to one whereby charges to income are based upon actuarial funding requirements. The balance of retained earnings at April 1, 1984 has been adjusted by $2 533 000 representing the accrued actuarial liability as at that date. Of the $2 533 000, $479 000 is applicable to 1984 and has been charged to income for that year. The remainder of $2 054 000 is applicable to years prior to April 1, 1983 and the balance of retained earnings at that date has been adjusted accordingly. This change reduced the net income for the current year by $565 000.

9. COMPARATIVE FIGURES

Certain of the 1984 figures have been restated consistent with the 1985 presentation.

Manitoba

MANITOBA DEVELOPMENT CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to C and Schedules 1 to 5, of the Manitoba Development Corporation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

The total revenue shown on the Statement of Revenue and Expenditure in the amount of $3,735,549 includes $1,141,419 of interest received or receivable from the Government of the Province of Manitoba on account of term deposits of the Corporation's surplus funds pertaining to Part I operations.

In our opinion, these financial statements, together with the comments in the preceding paragraph, present fairly the financial position of the Manitoba Development Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

November 22, 1985,
Winnipeg, Manitoba.

Exhibit A

MANITOBA DEVELOPMENT CORPORATION

Balance Sheet
as at March 31, 1985

ASSETS	1985	1984
Part I		
Cash in bank	$ 205,286	$ 166,992
Short term deposits with the Government of the Province of Manitoba	11,015,865	17,314,744
Accounts receivable and accruals	313,476	346,296
Recoverable from the Government of the Province of Manitoba (Note 2)	275,593	39,579
Recoverable from Canada	-	62,000
Due from Part II	54,480	22,080
Loans receivable, less allowance for doubtful accounts Schedule 3	8,649,926	9,110,348
Equity investments and related loan receivable, Schedules 1 and 2, less allowance for potential losses, Schedule 3	-	-
Properties held for resale, at the lower of cost or estimated realizable value	161,837	187,662
Office furniture at cost less accumulated depreciation $53,035 (1984 - $54,198)	1,373	1,705
	$ 20,677,836	$ 27,251,406

ASSETS	1985	1984
Part II		
Cash in bank	$ 116,962	$ 73,895
Loans receivable authorized by the Government of the Province of Manitoba under Part II of The Development Corporation Act:		
General:		
Principal	2,194,870	1,042,458
Interest	268,130	86,962
Manitoba Jobs Fund Program:		
Principal	11,840,000	-
Equity investments and related loan receivable authorized by the Government of the Province of Manitoba under Part II of The Development Corporation Act, Schedule 4	13,114,172	12,898,017
	$ 27,534,134	$ 14,101,332

Exhibit A

LIABILITIES	1985	1984
Part I		
Accounts payable - trade	$ 50,727	$ 7,995
- Governnment of the Frovince of Manitoba	12,481	372,888
	63,208	380,883
Amount due to the Communities Economic Development Fund (Note 7(a))	361,627	459,527
Allowance for potential loss on bank loan guarantee, Schedule 3 (Note 6)	13,807,789	2,450,000
	14,232,624	3,290,410
SHAREHOLDER'S EQUITY		
Capital Stock:		
Authorized:		
500,000 shares, par value $100 each		
Issued and fully paid - 500,000 shares	50,000,000	50,000,000
Less: deficit, Exhibit C	43,554,788	26,039,004
	6,445,212	23,960,996
	$ 20,677,836	$ 27,251,406

LIABILITIES		
Part II		
Trust liability re Destination Manitoba	$ 116,544	$ 56,853
Interest payable	223,203	930,299
Due to Part I	54,480	22,080
Advances from the Government of the Province of Province of Manitoba under Part II of The Development Corporation Act:		
General	15,299,907	13,092,100
Manitoba Jobs Fund Program	11,840,000	-
	27,139,907	13,092,100
	$ 27,534,134	$ 14,101,332

Exhibit B

MANITOBA DEVELOPMENT CORPORATION

Statement of Revenue and Expenditure for the year ended March 31, 1985

	1985	1984
Revenue:		
Interest:		
Loans - Part I	$ 1,289,238	$ 1,196,372
- Part II	863,398	948,480
Term deposits	1,141,419	1,605,836
	3,294,055	3,750,688
Rental income - net	7,938	9,267
Recoveries - Government of the Province of Manitoba (Note 3)	325,743	147,348
Property tax recovery	18,028	-
Grants received	-	248,000
Guarantee fees	89,785	29,167
	3,735,549	4,184,470
Expenditure:		
Interest - Government of the Province of Manitoba - Part II	863,398	948,480
Salaries and benefits	205,204	124,221
Other expenses (Note 7(b))	657,621	369,195
	1,726,223	1,441,896
Excess of revenue over expenditure before the following:	2,009,326	2,742,574
Less: Provision for doubtful accounts and potential losses on investments and guarantee, Schedule 3	18,709,555	12,226,484
Net loss for the year	16,700,229	9,483,910
Add: Subsidy to the Communities Economic Development Fund (Note 7(a))	815,555	773,117
Transfer to deficit, Exhibit C	$ 17,515,784	$ 10,257,027

Exhibit C

MANITOBA DEVELOPMENT CORPORATION

Statement of Deficit
for the year ended March 31, 1985

	1985	1984
Balance - beginning of year	$ 26,039,004	$ 15,781,977
Transfer from revenue and expenditure, Exhibit B	17,515,784	10,257,027
Balance - end of year, Exhibit A	$ 43,554,788	$ 26,039,004

Schedule 1

MANITOBA DEVELOPMENT CORPORATION

Part I Equity Investments and Related Loan Receivable as at March 31, 1985

	Shares Issued and Outstanding	Shares owned by the Manitoba Development Corporation	Equity Investments	Loan Receivable
William Clare (Manitoba) Ltd.				
Equity investment-nominal value				
Common shares	100	100	$ 1	
Flyer Industries Limited				
Equity investment-at cost				
Preferred shares	10,000,000	9,682,000	9,682,000	
Subordinate preferred shares	8,000,000	8,000,000	8,000,000	
Common shares	552,883	552,563	16,750,106	
Loan receivable				$ 2,998,027
			$ 34,432,107	$ 2,998,027
Summary:				
Equity investments				$ 34,432,107
Loan receivable				2,998,027
				37,430,134
Less: Allowance for potential losses, Schedule 3				37,430,134
Equity investments and related loan receivable - net				$ -

MANITOBA DEVELOPMENT CORPORATION

Part I Account in Receivership
as at March 31, 1985

	1985	1984
Saunders Aircraft Corporation Limited	$ 100	$ 100
Less: Allowance for estimated losses, Schedule 3	100	100
Account in receivership - net	$ -	$ -

Schedule 3

MANITOBA DEVELOPMENT CORPORATION

Part I Allowance for Doubtful Accounts and Potential Losses on Investments and Guarantee for the year ended March 31, 1985

	Balance March 31, 1984	Add: Provision	Less: Write-offs	Balance March 31, 1985
Loans receivable	$ 50,000	$ -	$ -	$ 50,000
Equity investments and related loan receivable, Schedule 1	30,078,368	7,351,766	-	37,430,134
Bank loan guarantee to subsidiary (Note 6)	2,450,000	11,357,789	-	13,807,789
Account in receivership, Schedule 2	100	-	-	100
	$ 32,578,468	$ 18,709,555	$ -	$ 51,288,023

Schedule 4

MANITOBA DEVELOPMENT CORPORATION

Part II Equity Investments and Related Loan Receivable as at March 31, 1985

	Shares Issued and Outstanding	Shares owned by the Manitoba Development Corporation	Equity Investments	Loan Receivable
A. E. McKenzie Co. Ltd.				
Equity investment - at cost				
Preferred shares	12,154,000	12,154,000	$ 12,154,000	
Common shares	1,145	-	-	
Loan receivable:				
Principal				$ 950,519
Interest				9,653
			$ 12,154,000	$ 960,172

Summary:	
Equity investments	$ 12,154,000
Loan receivable	960,172
Equity investments and related loan receivable	$ 13,114,172

Schedule 5

MANITOBA DEVELOPMENT CORPORATION

Report of Assistance Granted or to be Granted for the year ended March 31, 1985

Assistance approved under Part I of The Development Corporation Act

FLYER INDUSTRIES LIMITED

Bank guarantee - fee 1/2 of 1% per annum - term subject to review	$ 20,500,000
Loan - interest 13 3/4% - 4 month term	1,500,000
Loan - interest 13 1/2% - 5 month term	4,000,000

Assistance approved under Part II of The Development Corporation Act

A. E. MCKENZIE CO. LTD.

Loan - interest at Provincial Government borrowing rate - 5 year term	$ 1,000,000
Investment - purchase of 6% non-cumulative, redeemable, convertible, preferred shares	7,154,000

MANITOBA JOBS FUND PROGRAM

Gravure Graphics Ltd.

Loan - interest 13.875% - 10 year term	$ 638,000
Loan - interest Nil- forgiveable (Note 9)	500,000
Bank guarantee - fee 2% per annum - 10 year term	975,000
Letter of credit - fee 2% per annum - 5 year term	250,000

Jannock Limited

Loan - interest Nil - forgiveable (Note 9)	$ 1,000,000

Sherritt Gordon Mines Limited

Loan - interest 12 3/8% - 5 year term	$ 10,000,000

Toro Canada Ltd.

Loan - interest Nil - 5 year term (Note 9)	$ 625,000

Schedule 5

MANITOBA DEVELOPMENT CORPORATION

Report of Assistance Granted or to be Granted
for the year ended March 31, 1985

DESTINATION MANITOBA LOANS (Note 10)

	Interest Rate	Term	Amount
Arctic Trading Co. Inc.	nil	10 years	$ 25,000
Arctic Trading Co. Inc.	maximum 7%	10 years	2,400
Enns, Isaac and/or Elizabeth	nil	10 years	25,000
Enns, Isaac and/or Elizabeth	maximum 7%	10 years	25,615
Kelsey Country House Boats Ltd.	nil	10 years	25,000
Kelsey Country House Boats Ltd.	maximum 7%	10 years	16,600
Laurie River Lodge Ltd.	nil	10 years	25,000
Laurie River Lodge Ltd.	maximum 7%	10 years	19,240
Northern Manitoba Outfitters Ltd.	nil	10 years	23,800
Perche Holdings Ltd.	nil	10 years	25,000
Perche Holdings Ltd.	maximum 7%	10 years	8,400
Ste. Rose Foods Ltd.	nil	10 years	25,000
Ste. Rose Foods Ltd.	maximum 7%	10 years	50,000
64567 Man. Ltd.	nil	10 years	25,000
64567 Man. Ltd.	maximum 7%	10 years	40,000
			$ 361,055

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements
March 31, 1985

1. Accounting Policies:

(a) The Corporation's lending and guaranteeing activities undertaken on its initiative are under Part I of The Development Corporation Act and are subject to the limitations outlined in note 4; the activities undertaken on the initiative of the Government of the Province of Manitoba are under Part II of the Act (Note 8). In accordance with the Act, the activities under Part I and Part II are accounted for separately.

On the basis that Part II activities are initiated and funded by the Government, the Corporation accounts for these activities on an agency basis. Accordingly, no provisions for doubtful accounts and potential losses on investments are reflected in Part II. Appropriate provisions are reflected in the accounts of the Government of the Province of Manitoba.

(b) An accrual basis of accounting is being followed except for (e) below.

(c) The Corporation's financial statements do not include the accounts of its two subsidiary companies on a consolidated basis.

The Corporation's investment in Flyer Industries Limited is shown at cost less an allowance which approximates the accumulated deficit of that company as reported in its audited financial statements for the year ended December 31, 1984 (Note 6).

The Corporation's investment in William Clare (Manitoba) Limited is shown at a nominal value of $1.

(d) The allowance for doubtful accounts, i.e., possible losses on loans to borrowers wherein the Corporation does not have an equity investment, has been determined on an individual account basis.

(e) The officers and employees of the Corporation are not members of the Civil Service of the Government of the Province of Manitoba, but they contribute to and are pensionable under the Civil Service Superannuation Fund. In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursement made to retired employees. Such payments are charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Corporation's employees amounted to $209,602 as at December 31, 1984 ($183,300 as at December 31, 1983).

(f) The Manitoba Development Corporation is jointly administered with the Communities Economic Development Fund. Common administrative expenses are paid by the Fund except for rent and utility costs which are paid by the Corporation. The Corporation has deemed that, in total, the administrative expenses represent a fair allocation of costs to the Corporation. Accordingly, the common administrative expenses paid entirely by the Communities Economic Development Fund are not reflected in these financial statements.

g) Office furniture is depreciated at 10% on a straight line basis.

MANITOBA DEVELOPMENT CORPORATION

Notes to Financial Statements
March 31, 1985

2. Recoverable from the Government of the Province of Manitoba:

	1985	1984
Costs or fees re:		
Flyer Industries Limited (Note 7(b))	$ 213,500	$ -
The Pas Forestry Complex (Note 5(c))	25,930	-
Destination Manitoba (Note 8)	22,808	39,579
Manitoba Interest Rate Relief Program (Note 8)	13,355	-
	$ 275,593	$ 39,579

3. Recoveries - Government of the Province of Manitoba:

Cost or fees re:		
Flyer Industries Limited (Note 7(b))	$ 213,500	$ -
Destination Manitoba (Note 8)	98,888	147,348
Manitoba Interest Rate Relief Program (Note 8)	13,355	-
	$ 325,743	$ 147,348

4. Lending Operations:

The Corporation's lending operations were suspended effective November 15, 1977 except that, since that date, on the direction of the Government of the Province of Manitoba both Part I and Part II guarantee and loan commitments have been made. Guarantees and loan commitments outstanding are included in note 5.

5. Contingent Liabilities and Commitments:

	March 31 1985	March 31 1984
(a) Contingent Liabilities:		
Part I Contingent liability as guarantor for bank loans to Flyer Industries Limited:		
Total guarantee	$ 20,500,000	$ 10,000,000
Less recorded liability for allowance for potential loss on bank loan guarantee	13,807,789	2,450,000
Balance for which Corporation is contingently liable	$ 6,692,211	$ 7,550,000

5. Contingent Liabilities and Commitments: (continued)

	March 31 1985	March 31 1984
(b) Commitments:		
Part I Commitment - undisbursed balance of approved loan:		
Flyer Industries Limited	$ 5,430,520	$ 7,750,000
Part II Commitment - undisbursed balances of approved loans:		
Destination Manitoba	$ 768,022	$ 1,329,362
Tantalum Mining Corp.	115,500	408,000
	$ 883,522	$ 1,737,362

(c) The Pas Forestry Complex

In accordance with the terms of an agreement dated March 25, 1975, between Manfor Ltd., the Government of the Province of Manitoba and the Corporation, the Corporation has a continuing responsibility to press all claims in connection with the affairs of the several companies comprising The Pas Forestry Complex or the assets of the Complex, which were transferred to Manfor Ltd., and also to defend claims in respect to those assets. All costs incurred by the Corporation in respect of such claims will be reimbursed by the Government of the Province of Manitoba.

(d) Saunders Aircraft Corporation Limited

Saunders Aircraft Corporation Limited was placed in receivership by the Manitoba Development Corporation on May 20, 1976. The Manitoba Development Corporation has indemnified the Receiver-Manager for expenses, losses or damages incurred as Receiver-Manager including product support.

Funds realized from the receivership actions, less an estimated amount retained by the Receiver-Manager to cover future administrative costs, are remitted to the Government of the Province of Manitoba. Funds in excess of those required by the Receiver-Manager are payable to the Government of the Province of Manitoba.

The Receiver-Manager has provided the Manitoba Development Corporation with an estimate of the possible further realization from the receivership of $200,000. The estimate pertains to an expected realization of an outstanding account which is being contested through the courts in Ontario. Once the aforementioned litigation is completed, there are no other matters which would require the services of a professional receiver-manager.

5. Contingent Liabilities and Commitments: (continued)

(e) Litigation

The Corporation was named as defendant regarding a former loan application. The claim was for general damages in the amount of $2 million, special damages and costs. The matter was settled out of court during the year for $60,000.

6. Allowance for potential loss on bank loan guarantee:

The Corporation provides an allowance for potential loss on its investment in Flyer Industries Limited on the basis described in note 1(c) to these financial statements.

Because the subsidiary's accumulated deficit reported in its most recent audited financial statements exceeds the Corporation's investment as at March 31, 1985, it is necessary to consider the Corporation's bank loan guarantee to the subsidiary and provide an additional allowance for potential loss for this excess amount (Note 5(a)).

7. Administration of the Corporation:

(a) The Manitoba Development Corporation provides the subsidy assistance required by the Communities Economic Development Fund to the extent of the Fund's excess of expenditure over revenue.

(b) Included in other expenses in Exhibit B are expenditures of $322,866 incurred by the Corporation, as the majority shareholder in Flyer Industries Limited, related to the development of corporate strategies, etc. for Flyer Industries Limited. A portion of these expenditures are recoverable from the Government of the Province of Manitoba.

8. Activities Undertaken on the Initiative of the Government of the Province of Manitoba:

Part II of The Development Corporation Act authorizes the Corporation to undertake activities at the direction of the Government of the Province of Manitoba. Such activities undertaken include:

a) Assistance to corporations under the general authority of Part II of The Development Corporation Act.

b) Acting as the agent for the Government in administering portions of the Destination Manitoba Program in respect to:

    i) providing loan assistance for capital projects related to the development and expansion of rural tourist facilities and

    ii) acting as a conduit for the conditional grant aspect of the program which is funded through the Department of Business Development and Tourism.

8. Activities Undertaken on the Initiative of the Government of the Province of Manitoba: (continued)

   c) Acting as the agent for the Government in providing loan assistance under The Manitoba Jobs Fund Program.

   d) Monitoring the loan portfolio of The Manitoba Interest Rate Relief Program for Small Business.

   The Corporation is entitled to recover administrative costs for administering The Destination Manitoba Program and The Manitoba Interest Rate Relief Program for Small Business.

   The Corporation does not recover administration costs for its participation in The Manitoba Jobs Fund Program and for the assistance provided to corporations amounting to an estimated $100,000 for the year ended March 31, 1985.

9. Manitoba Jobs Fund Program Loans:

   a) Should the companies who received these loans default on conditions of the loans then the loans become repayable in whole or in part and interest may be charged.

   b) Interest on these loans is billed to and payable by the Department of Industry, Trade and Technology.

10. Destination Manitoba Loans:

    The first $25,000 of a loan is non-interest bearing if companies adhere to conditions of the loan while the balance of the loan bears interest at 1/2 of the bank commercial prime rate adjusted quarterly; however, the rate charged will not exceed 7%.

11. Comparative Figures:

    The 1984 figures have been restated where necessary to conform with the 1985 financial statement presentation.

ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

1400 RUPERTSLAND SQUARE
444 ST. MARY AVENUE
WINNIPEG, R3C 3T1
(204) 942-6541

To the Board of Directors
of the Manitoba Energy Authority:

We have examined the statement of receipts and disbursements of the MANITOBA ENERGY AUTHORITY for the year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

As explained in Note 2, the method of accounting used to prepare the statement of receipts and disbursements differs from generally accepted accounting principles and is not intended to present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly the receipts and disbursements of the Manitoba Energy Authority for the year ended March 31, 1985.

Arthur Andersen & Co.

May 31, 1985

THE MANITOBA ENERGY AUTHORITY

STATEMENT OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 1985

RECEIPTS:	
Department of Energy and Mines appropriation	$249,809
Advances from the Province of Manitoba (Note 3)	625,000
	$874,809
DISBURSEMENTS:	
Operating expenditures-	
Personnel services (Note 4)	$264,838
Grants	10,000
Transportation	44,823
Communication	19,747
Supplies	23,782
Professional services	261,974
Debt financing (Note 3)	30,970
Other operating	49,778
Total operating expenditures	$705,912
Capital expenditures-	
Leasehold improvements	$ 65,174
Furniture, furnishings and office equipment	54,180
Word processing and computer equipment	47,932
Total capital expenditures	$167,286
Total disbursements	$873,198
EXCESS OF RECEIPTS OVER DISBURSEMENTS	$ 1,611

The accompanying notes are an integral part of this statement.

THE MANITOBA ENERGY AUTHORITY

NOTES TO STATEMENT OF RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 1985

1. AUTHORITY

The Manitoba Energy Authority is incorporated under a specific Statute in the Province of Manitoba, being "The Manitoba Energy Authority Act", (assented to July 29, 1980), Chapter E 112 of the Statutes of Manitoba, 1980.

The Authority is responsible for developing and implementing policies to ensure the long-term stability and availability of electrical energy supply to Manitobans. The Authority is also responsible through its Electrical Energy Marketing Committee for negotiating export sales of electrical energy with other provincial utilities and with utilities in the United States.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accompanying Statement of Receipts and Disbursements has been prepared in accordance with the Government of the Province of Manitoba's cash basis of accounting, including the accounting for pension costs as set out in Note 2 (b).

Expenditures are recorded on a cash basis, modified to allow an additional forty-five days after the end of the fiscal year for the processing of payments pertaining to that fiscal year.

Capital acquisitions of all kinds (defined as real property and chattels that are deemed to have an economic life in excess of one year) are recognized as expenditures in the year of acquisition.

(b) Pension Costs

Pursuant to subsection 29 of The Manitoba Energy Authority Act, the Lieutenant Governor in Council has directed that The Civil Service Superannuation Act apply to employees who were employed under The Civil Service Act immediately prior to becoming employed as officers or employees of The Manitoba Energy Authority effective the date on which they become employed with The Manitoba Energy Authority. In accordance with the provision of the Manitoba Civil Service Superannuation Act, the Authority is required to contribute 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. No such payments were made for the year ended March 31, 1985. An actuarial evaluation has yet to be undertaken to determine the unfunded liability which exists for the Authority's participating staff.

The Authority has also established a Money Purchase Pension Plan for those employees who do not contribute to the Civil Service Superannuation Fund. This Plan provides for full vesting after a qualifying period by the employees. Both the Authority and the employees contribute to the Plan on the basis of the employees' regular salary.

3. CAPITAL AUTHORITY

The Legislature has authorized the borrowing and spending of monies for the operations of The Manitoba Energy Authority as follows:

(a)	Legislative Authority	- The Loan Act, 1984
(b)	Authorization	- $5,000,000
(c)	Unexpended balance as at March 31, 1985	- $4,375,000

Advances of $625,000 bear interest at the prevailing bank prime rate and accrued interest is paid quarterly from an appropriation of the Department of Energy and Mines. Advances are repayable at any time in whole or in part at the option of the Lieutenant Governor in Council.

4. FUTURE COMMITMENTS

As at March 31, 1985, the Authority has future commitments relating to its lease for premises (to May 31, 1987) and other leases and maintenance agreements totaling approximately $60,000 annually.

The Authority has entered into employment contracts with six of its employees. These agreements terminate during the period July 31, 1986 to October 2, 1987. These agreements entail an annual commitment of approximately $350,000.

5. ALCOA - JOINT STUDY COSTS

In accordance with Article 6:01 of the Letter of Understanding made March 28, 1984 between Aluminum Company of America (Alcoa) and the Province of Manitoba, Alcoa shall be fully responsible for all costs of the joint study (Article II) incurred and approved prior to March 31, 1985, and shall reimburse Manitoba for expenditures for such costs. Alcoa has decided not to enter into a binding agreement or agreements to proceed with construction of an aluminum smelting facility within the Province of Manitoba; $22,889 is recoverable at March 31, 1985 for the Authority's expenditures. This recovery has not been reflected in the Statement of Receipts and Disbursements.

6. NORTHERN STATES POWER COMPANY (NSP) CONTRACT

The Authority negotiated and is co-signer with The Manitoba Hydro-Electric Board in an agreement to supply 500 MW or 500,000 kilowatts of power to NSP for a 12-year period - May 1, 1993 to April 30, 2005, at an annual average capacity factor of 75%.

It is anticipated that the Authority will be reimbursed for expenses incurred in negotiating export sale agreements.

7. LIMESTONE INDUSTRIAL AND EMPLOYMENT BENEFITS COORDINATION

The Manitoba Energy Authority is responsible for coordinating all departmental/Manitoba Hydro activities relating to industrial and employment benefits associated with the Limestone Generating Station Project.

The Manitoba Jobs Fund provides funding for all Limestone related expenditures except for the salary of the Information Services Co-ordinator, which is paid by the Authority.

8. RELATED PARTY TRANSACTIONS

The Province of Manitoba, through the Department of Energy and Mines, provides administrative services to the Authority without charge for such services. Management estimates that the value of these services is approximately $10,000.

9. COMPARATIVE FIGURES

The Manitoba Energy Authority has been active since its inception through its Electrical Energy Marketing Committee and its Energy Allocation Committee. Annual reports on its affairs have been tabled with the Legislature and referred to the Standing Committee on Public Utilities and Natural Resources of the Legislature.

During the fiscal year under review, the Manitoba Energy Authority established its own corporate offices and acquired its own employees. In previous years since its inception, the activities of the Authority have been carried out through its established Committees and the costs related to these operations have been budgeted for and paid out of appropriations of the Department of Energy and Mines.

Manitoba

THE MANITOBA HEALTH RESEARCH COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Manitoba Health Research Council for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Council as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied, after giving retroactive effect to the change in the method of accounting for research grant expenditures as explained in note 4, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

September 16, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA HEALTH RESEARCH COUNCIL

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Cash	$ 40,134	$ 10,224
Grant receivable from The Manitoba Lotteries Foundation	161,910	-
Grant receivable from the Province of Manitoba	102,364	-
Accrued interest	1,051	556
	$ 305,459	$ 10,780
LIABILITIES AND DEFICIT		
Accounts payable	$ 3,494	$ 1,130
Research grants payable (Note 4)	507,580	27,650
Deficit (Note 4), Exhibit B	(205,615)	(18,000)
	$ 305,459	$ 10,780

The accompanying notes are an integral part of the financial statements.

Exhibit B

THE MANITOBA HEALTH RESEARCH COUNCIL

Statement of Revenues and Expenditures and Deficit
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue		
Grant from the Province of Manitoba	$ 787,000	$ 763,000
Grant from The Manitoba Lotteries Foundation (Note 5)	708,952	-
Returned grant funds	18,848	17,162
Bank interest	1,945	1,657
	1,516,745	781,819
Expenditures:		
Research grants (Note 3(b)):		
University of Manitoba on behalf of grantees	1,653,158	808,240
University of Winnipeg on behalf of grantees	-	33,500
Manitoba Cancer Treatment and Research Foundation on behalf of grantees	-	1,625
	1,653,158	843,365
Administration expenses, Schedule 1	51,202	41,002
	1,704,360	884,367
Expenditures over revenues	187,615	102,548
Deficit (surplus), beginning of year	18,000	(84,548)
Deficit, end of year, Exhibit A	$ 205,615	$ 18,000

The accompanying notes are an integral part of the financial statements.

Schedule 1

THE MANITOBA HEALTH RESEARCH COUNCIL

Administration Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Accounting and audit	$ 875	$ 2,109
Bank charges	50	46
Council and committee expenses	405	402
Insurance	75	-
Office equipment (Note 3(a))	8,255	1,465
Postage and delivery	1,236	514
Printing and stationery	4,236	3,074
Salaries and benefits	35,739	33,067
Telephone	331	325
Total administration expenses, Exhibit B	$ 51,202	$ 41,002

The accompanying notes are an integral part of the financial statements.

THE MANITOBA HEALTH RESEARCH COUNCIL

Notes to the Financial Statements for the year ended March 31, 1985

1. INCORPORATION AND FUNCTION

The Manitoba Health Research Council was established by an Act of the Legislature, being Chapter 31, The Manitoba Health Research Council Act, which came into force effective August 15, 1982. The Council was established to promote and assist basic, clinical and applied research in the health sciences in Manitoba and advise the Minister in respect of such matters relating to health research as the Minister may refer to the Council for its consideration.

2. CHARITABLE STATUS

The Manitoba Health Research Council is a registered charity within the meaning of the Income Tax Act.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) An accrual basis of accounting is used except for office equipment purchases, which are charged to expenditures in the year of acquisition.

(b) Research grants are charged to expenditures when funding is approved by the Council.

4. CHANGE IN ACCOUNTING POLICY

The Council changed its method of accounting for research grants to recognize them as expenditures when funding is approved. Previously, research grants were reflected as commitments when funding was approved and charged to expenditures when they were paid. This change increased the research grants payable by $507,580, with a corresponding effect on the deficit at March 31, 1985. The change was applied retroactively and resulted in the restatement of the previous year's comparative figures, increasing the grants payable and deficit by $27,650.

5. GRANT FROM THE MANITOBA LOTTERIES FOUNDATION

For the year ended March 31, 1985, the Council received a grant from The Manitoba Lotteries Foundation under a new system of distribution of lotteries proceeds.

Manitoba

MANITOBA HEALTH SERVICES COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A, B, C and Schedule 1, of the Manitoba Health Services Commission for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

June 14, 1985,
Winnipeg, Manitoba.

Statement A

MANITOBA HEALTH SERVICES COMMISSION

BALANCE SHEET

AS AT MARCH 31, 1985

(With 1984 Figures for Comparison)

ASSETS

	1985	1984
	(thousands of dollars)	
Cash on hand and in bank, less outstanding cheques	$ 166	$ (741)
Funds on deposit, Government of the Province of Manitoba	43,028	42,773
Accounts receivable:		
Government of the Province of Manitoba	45	58
Other Provinces and Territories	4,253	4,002
Other (Note 4)	774	337
	5,072	4,397
Land, buildings, furniture and equipment at nominal value of one dollar (Note 1)	-	-
	48,266	46,429
Funds held in trust re debenture trust agreements (per contra) (Notes 2 & 3)	18,121	13,757
	$ 66,387	$ 60,186

The accompanying notes are an integral part of the financial statements.

Statement A

LIABILITIES

	1985	1984
	(thousands of dollars)	
Accounts payable and accrued charges:		
Hospital and personal care home services:		
Liability for unreported claims	$ 2,616	$ 1,718
Estimated adjustment payments under section 87(2) of The Health Services Insurance Act and other costs, net	10,855	13,654
	13,471	15,372
Medical services claims payable	22,293	21,864
Pharmacare claims payable	9,086	5,772
Ambulance grants payable	285	295
Northern patient transportation claims payable	97	78
Other health services claims payable	1,560	1,580
General	594	474
	47,386	45,435
Working capital account, Statement C	880	994
	48,266	46,429
Funds held in trust re debenture trust agreements (per contra)	18,121	13,757
	$ 66,387	$ 60,186

Statement B

MANITOBA HEALTH SERVICES COMMISSION

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED MARCH 31, 1985

(With 1984 Figures for Comparison)

	1985 (thousands of dollars)	1984 (thousands of dollars)
Revenue:		
Grants from the Government of the Province of Manitoba	$ 969,662	$ 905,640
Third party recoveries (Note 1)	4,314	3,571
Miscellaneous income	101	14
Total revenue	$ 974,077	$ 909,225
Expenditure:		
Hospital services:		
Hospitals within the Province (Note 6)	$ 570,680	$ 530,045
Hospitals outside the Province	11,044	9,254
	581,724	539,299
Medical services	188,789	179,370
Personal care home services (Note 6)	146,142	138,575
Pharmacare program	25,558	21,493
Ambulance program	2,010	1,881
Air ambulance program (Note 4)	112	-
Northern patient transportation program	2,568	2,465
Other health services (Note 5)	13,508	12,980
Administrative expenses, Schedule 1	13,780	13,111
Total expenditure	$ 974,191	$ 909,174
Expenditure (over) under revenue, Statement C	$ (114)	$ 51

The accompanying notes are an integral part of the financial statements.

Statement C

MANITOBA HEALTH SERVICES COMMISSION

STATEMENT OF WORKING CAPITAL ACCOUNT

FOR THE YEAR ENDED MARCH 31, 1985

(With 1984 Figures for Comparison)

	1985	1984
	(thousands of dollars)	
Balance, beginning of year	$ 994	$ 943
Expenditure (over) under revenue, Statement B	(114)	51
Balance, end of year, Statement A	$ 880	$ 994

The accompanying notes are an integral part of the financial statements.

Schedule 1

MANITOBA HEALTH SERVICES COMMISSION

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED MARCH 31, 1985

(With 1984 Figures for Comparison)

	1985	1984
	(thousands of dollars)	
Salaries and employee benefits	$ 9,696	$ 9,426
Office equipment	1,562	1,430
Professional services	543	478
Stationery and office supplies	437	387
Postage, express and delivery	364	344
Pension payments (Note 1)	251	208
Grant in lieu of realty taxes	160	154
Health and post-secondary education tax levy	141	137
Maintenance of land, building and office equipment	141	135
Telephone	138	129
Travel	107	87
Utilities	92	90
Bank charges	84	83
Miscellaneous	30	11
Building renovations	21	4
Commissioners' remuneration	9	7
Publicity	4	1
	$ 13,780	$ 13,111

The accompanying notes are an integral part of the financial statements.

MANITOBA HEALTH SERVICES COMMISSION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1985

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

(a) The financial statements have been prepared on an accrual basis of accounting except for the following:

(i) PENSION

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursements made to retired employees. Such payments are charged to expense as incurred. A provision is not made in the accounts to fund current or past service obligations of the Commission to the Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Commission's employees amounted to $10,516,000 as at December 31, 1984 ($9,180,000 as at December 31, 1983).

(ii) THIRD PARTY RECOVERIES

Third party recoveries are recorded on a cash basis.

(iii) INVENTORIES

Purchases of supplies are charged to operating expenditures as incurred. The Commission does not record the value of supplies on hand as an asset.

(iv) LAND, BUILDINGS, FURNITURE AND EQUIPMENT

Land, buildings, furniture and equipment are charged to operating expenditures in the year of acquisition. As at March 31, 1985, the Commission owns the following fixed assets:

1. Administration building, land, furniture and equipment.
2. Land and buildings of the Rehabilitation Centre for Children, Inc.
3. Land on which the building owned by the Manitoba Adolescent Treatment Centre Inc. is located.
4. Land and buildings of the Deer Lodge Centre Inc.
5. Diagnostic equipment located in the provincial laboratory and x-ray units throughout the Province.

NOTE 2. FUNDS HELD IN TRUST RE DEBENTURE TRUST AGREEMENTS

At March 31, these funds are on deposit as follows:

	1985	1984
	(thousands of dollars)	
Bank	$ 15,319	$ 11,391
Government of the Province of Manitoba	2,802	2,366
	$ 18,121	$ 13,757

NOTE 3. CAPITAL FINANCING

Hospitals and personal care homes have obtained financing for capital construction by issuing debentures, or arranging for mortgages or long-term loans. The Hospital Capital Financing Authority, which was established in 1972, approves the issue of all securities to finance these capital expenditures and assists in obtaining an orderly market for the sale of the securities.

Funds for servicing approved capital debt incurred for the construction and acquisition of facilities for the provision of insured services are included in the Commission's expenditure. For the year ended March 31, 1985 the amount related to interest and principal repayment included in the expenditures for hospital and personal care home services shown on Statement B is $45,056,000 ($39,836,000 for the year ended March 31, 1984).

In accordance with arrangements with the hospitals and personal care homes, the Commission either holds in trust or disburses to the Province and other trustees, out of funds payable by it to these facilities, sufficient moneys to meet the interest and principal payment and sinking fund provisions for debentures.

At March 31, 1985 the amount of $18,121,000 ($13,757,000 as at March 31, 1984) shown on the balance sheet was being held by the Commission to meet future obligations for:

NOTE 4. AIR AMBULANCE PROGRAM

A new Air Ambulance Program was undertaken during the year and is scheduled to become operational in the fiscal year ending March 31, 1986.

The Commission has contracted for the acquisition of a new aircraft for the program at a cost of $4,800,000. A deposit of $428,000 has been placed with the supplier and is included in the Accounts Receivable - Other shown on the balance sheet. The financing of the aircraft acquisition is to be arranged by a lease agreement with an option to purchase.

The Air Ambulance Program expenditure of $112,000 shown on Statement B represents initial start up costs.

NOTE 5. OTHER HEALTH SERVICES

This group of expenditures consists of:

	1985	1984
	(thousands of dollars)	
Optometric	$ 3,966	$ 3,936
Chiropractic	6,777	6,508
Prosthetic and orthotic	2,765	2,536
	$ 13,508	$ 12,980

NOTE 6. HOSPITAL AND PERSONAL CARE HOME SERVICES

The Commission provides funds to hospitals and personal care homes to establish reserves for the replacement of equipment. For the year ended March 31, 1985 the Commission deferred the funding of these reserves for one year. The deferral amounted to $4,200,000.

Manitoba

THE HORSE RACING COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C, of The Horse Racing Commission for the year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding period.

Fred H Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

June 17, 1985,
Winnipeg, Manitoba.

Exhibit A

THE HORSE RACING COMMISSION

Balance Sheet
as at March 31, 1985
(with March 31, 1984 figures for comparison)

A S S E T S

	1985	1984
Current assets:		
Cash on hand and in bank	$ 116,478	$ 41,307
Accounts receivable - trade	-	4,500
Accounts receivable arising from 1982 temporary track closure (Note 3)	48,396	151,388
Grant receivable - Government of the Province of Manitoba	60,000	-
	$ 224,874	$ 197,195

L I A B I L I T I E S

	1985	1984
Current liabilities:		
Accounts payable - trade	$ 41,059	$ 23,553
Accounts payable - re employee	6,922	-
Undistributed grants, Exhibit C	13,061	19,203
Deferred revenue	6,170	4,940
	67,212	47,696
Funds available for future operations, Exhibit B	157,662	149,499
	$ 224,874	$ 197,195

Exhibit B

THE HORSE RACING COMMISSION

Statement of Revenue and Expenditure and Funds Available for Future Operations for the year ended March 31, 1985 (with the 15 month period ended March 31, 1984 figures for comparison)

	1985	1984
Revenue:		
Grant from the Government of the Province of Manitoba	$ 396,500	$ 633,022
Fees, licenses and fines (Note 4)	144,940	163,970
	541,440	796,992
Expenditure:		
Advertising	-	9,277
Building renovations	181	7,877
Commissioners' honoraria	20,853	21,598
Employee benefits	20,854	15,223
Equipment and office furniture	1,871	10,879
Equipment rentals	11,248	12,287
Health and post secondary education tax levy	5,282	5,661
Hearings and appeals	9,347	11,336
Identification supplies	11,066	15,801
Impact assessment study	-	21,674
Memberships and dues	6,339	6,008
Office	19,480	28,504
Professional fees	15,022	72,878
Research grant	5,000	5,000
Salaries:		
Administration	104,065	103,420
Security	5,515	23,779
Stewards and judges	168,296	181,589
Veterinarian services	59,954	70,325
Sundry	2,340	954
Telephone	7,905	8,165
Training costs - salary and travel	31,516	19,891
Travel	27,143	28,241
	533,277	680,367
Revenue over expenditure	8,163	116,625
Funds available for future operations at beginning of period	149,499	32,874
Funds available for future operations at end of period, Exhibit A	$ 157,662	$ 149,499

Exhibit C

THE HORSE RACING COMMISSION

Statement of Government Grant Receipts and Disbursements
for the year ended March 31, 1985
(with the 15 month period ended March 31, 1984 figures for comparison)

	1985	1984
Grant received from the Government of the Province of Manitoba	$ 3,626,276	$ 3,273,655
Grants disbursed:		
Owner/Breeder incentives:		
Thoroughbred	482,074	528,296
Standardbred	170,811	110,400
Quarter horse	-	2,875
Capital grants:		
Standardbred	22,078	32,994
Quarter horse	-	12,381
Overnight purse supplements:		
Thoroughbred	1,981,873	1,264,025
Standardbred	792,652	1,133,461
Quarter horse	9,500	8,440
Sire stakes program:		
Standardbred	140,000	130,000
Quarter horse	2,000	3,050
Emergency Fund:		
H.B.P.A.	-	17,201
Administrative grants:		
C.T.H.S.	31,430	31,430
	3,632,418	3,274,553
Disbursements over receipts	6,142	898
Undistributed grants - beginning of period	19,203	20,101
Undistributed grants - end of period, Exhibit A	$ 13,061	$ 19,203

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1985

1. Nature of the operations

The objectives of the Commission are to govern, direct, control and regulate horse racing and the operations of horse race tracks in Manitoba. In addition, the Commission acts as a conduit for support grants between the Government of the Province of Manitoba and the horse racing industry.

The operating expenses of the Commission in excess of revenue derived from its regulatory activities are funded through an appropriation of the Government of the Province of Manitoba. Consequently, the Commission will not experience an operating deficit. Administrative grant monies drawn down in excess of actual expenses are retained by the Commission as "funds available for future operations". However, such funds available for future operations reduce subsequent administrative grant requirements.

2. Significant accounting policies

An accrual basis of accounting is followed except for:

i) Capitalization and depreciation

The costs of building renovations, purchases of equipment and office furniture, are charged directly to operations. Accordingly depreciation is not provided for in the accounts.

ii) Pension liability and expense

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Commission contributes 50% of the pension disbursement made to retired employees. Such payments are to be charged to operations as incurred and provision is not made in the accounts to fund current or past service obligations to the Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $54,500 as at December 31, 1984 ($38,100 - December 31, 1983).

iii) Support grants

Support grants are recorded on a cash basis and are reflected separately (Exhibit C) from the general administrative activities of the Commission.

3. Accounts receivable arising from 1982 temporary track closure

An agreement dated July 21, 1982 between the Horsemen's Benevolent and Protective Association (H.B.P.A.), the Canadian Thoroughbred Horse Society and The Horse Racing Commission provided for the payment of amounts owing to individual horsemen as a result of the default by Assiniboia Downs 1981 Ltd.

In addition, a letter of understanding dated August 7, 1982, from the H.B.P.A. provided that the H.B.P.A. would reimburse the Commission for the 1982 purse overpayments incurred by Winnipeg Racing Ltd., which were paid by the Commission.

THE HORSE RACING COMMISSION

Notes to the Financial Statements
for the year ended March 31, 1985

3. Accounts receivable arising from 1982 temporary track closure (continued)

On the basis of the above agreements, the accounts receivable consist of the following:

Charged during 1982:		
re: July 21, 1982 agreement		$ 106,985
re: August 7, 1982 letter of understanding		170,604
Accounts receivable, as at December 31, 1982		277,589
Payments received during the 15 month period ended March 31, 1984	$ 109,000	
1982 H.B.P.A. undistributed grant funds applied	17,201	126,201
Accounts receivable as at March 31, 1984		151,388
Payments received during the year ended March 31, 1985		102,992
Accounts receivable as at March 31, 1985		$ 48,396

The July 21, 1982 agreement further provided that surplus funds of Winnipeg Racing Ltd. would reduce the amount owing to the Commission. Winnipeg Racing Ltd. has been wound up effective March 1, 1985. The surplus amounted to $20,732. The Commission received $19,992 of the surplus during the fiscal year ended March 31, 1985, which has been included in the $102,992 above, and subsequently received the balance of $740.

4. Fees, licences and fines

	1985	1984
Thoroughbred		
Fees and licences	$ 80,740	$ 82,470
Fines	4,665	5,665
	85,405	88,135
Quarter horse fees and licences	390	355
Standardbred		
Fees and licences	43,155	62,630
Fines	15,990	12,850
	59,145	75,480
	$ 144,940	$ 163,970

5. Contingent liabilities

The Commission is contingently liable in respect to pending legal claims. Potential liabilities have been estimated at $80,800 plus interest and costs for one claim and $1,400 in costs for the others. Although, the Commission is not the defendant in one case, it has agreed to indemnify the defendant against loss in this matter as the claim arises from his carrying out of duties as a member of the Commission. It is the Commission's opinion that this claim will be dismissed. No provision has been recorded in the Commission's accounts for these contingent liabilities.

Manitoba

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 and 2 of The Manitoba Hospital Capital Financing Authority for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Hospital Capital Financing Authority as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincal Auditor.

September 6, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Current assets		
Accrued interest	$ 210,430	$ 182,617
Investments, at cost, Schedule 1	5,041,500	4,584,500
	$ 5,251,930	$ 4,767,117
LIABILITIES		
Current liabilities		
Accrued debenture interest	$ 210,430	$ 182,617
Debentures payable, Schedule 2	5,041,500	4,584,500
	$ 5,251,930	$ 4,767,117

Exhibit B

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Statement of Income and Expenditure
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Income:		
Interest earned on investments	$ 537,217	$ 544,172
Expenditure:		
Debenture interest	537,217	544,172
Excess of income over expenditure	$ -	$ -

Schedule 1

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Schedule of Investments
as at March 31, 1985
(with 1984 figures for comparison)

	Interest Rate (%)	1985	1984
Serial debentures issued by:			
Personal Care Homes	9.50	$ 90,000	$ 112,500
	9.75	162,000	202,500
	10.00	787,000	798,500
Selkirk Linen Services Inc.	11.125	1,127,500	1,230,000
	15.75	554,000	616,000
	13.625	811,000	-
West - Manitoba Regional Laboratory Services Inc.	9.75	340,000	425,000
	10.00	850,000	850,000
Parkland Regional Hospital Laundry Ltd.	15.75	320,000	350,000
Investments, Exhibit A		$ 5,041,500	$ 4,584,500

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Schedule of Debentures Payable
as at March 31, 1985
(with 1984 figures for comparison)

Series Number	Interest Rate (%)	Year of Maturity	1985	1984
1A	11.125	1985-1995	$ 1,127,500	$ 1,230,000
2A	10.00	1985-1998	161,000	172,500
3A	9.50	1985-1988	90,000	112,500
3B	10.00	1985-1998	225,000	225,000
3D	9.75	1985-1988	502,000	627,500
3E	10.00	1985-1998	1,251,000	1,251,000
4A	15.75	1985-1993	554,000	1,251,000
4B	15.75	1985-1995	320,000	616,000
5A	13.625	1985-2004	811,000	350,000
				-
Debentures payable, Exhibit A			$ 5,041,500	$ 4,584,500

THE MANITOBA HOSPITAL CAPITAL FINANCING AUTHORITY

Notes to Financial Statements
March 31, 1985

1. Nature of the Authority

The Manitoba Hospital Capital Financing Authority was established by The Hospital Capital Financing Authority Act in June 1972. The objectives of the Authority are:

i) to approve the issuance of securities for capital expenditure by operators of hospitals or other health facilities,

ii) to assist such operators by ensuring an orderly market for the sale of securities issued by hospitals or other health facilities,

iii) to purchase securities issued by hospitals or other health facilities with money borrowed by the Authority.

2. Accounting Policy

The Authority uses the accrual basis of accounting.

3. Investment and Debentures Payable

The Authority's investments in various health facility debentures are entirely offset by debentures issued by the Authority to Government Agencies who do not qualify to purchase the health facility debentures directly.

4. Financing Approvals

During the year ended March 31, 1985 the Authority approved the issue of securities totalling $14,069,000 (1984 - $6,442,000).

5. Services Provided by the Province

The Province of Manitoba provides administrative services at no charge to the Authority.

Manitoba

THE MANITOBA HOUSING AND RENEWAL CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of The Manitoba Housing and Renewal Corporation as at March 31, 1985, and the statements of operations, reserves and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985, and the results of its operations and the changes in its financial position for the year then ended, in accordance with the accounting principles described in note 2 to the financial statements applied, after giving retroactive effect to the change in the amortization of renewal schemes and to the change in providing allocations to the Sinking Fund Reserve as described in note 3, on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

January 6, 1986,
Winnipeg, Manitoba.

THE MANITOBA HOUSING AND RENEWAL CORPORATION

BALANCE SHEET

MARCH 31, 1985

(with comparative figures for 1984)

ASSETS

	1985	1984
Current assets:		
Cash on deposit with the Minister of Finance and in bank	$ 4,023,302	$ 4,571,526
Accounts receivable and accruals (note 4)	8,687,205	6,298,684
Deferred operating subsidies (note 2a)	182,770	279,855
	12,893,277	11,150,065
Loans and mortgages receivable (note 5)	78,402,473	49,391,492
Housing projects (note 6)	280,485,934	272,943,289
Housing investment (note 7)	10,530,140	9,196,016
Land inventory (note 8)	47,406,790	43,561,277
Renewal schemes (note 9)	311,842	408,606
Corporate fixed assets (note 10)	688,583	967,940
Deferred financing costs (note 12)	83,602	115,592
	$430,802,641	$387,734,277

LIABILITIES

	1985	1984
Current liabilities:		
Accounts payable, holdbacks and accruals (note 2a)	$ 13,723,673	$ 11,068,195
Long-term land lease and rental subsidies received in advance (note 11)	224,673	228,163
Long-term debt (note 12)	405,047,545	365,969,608
Reserves	11,806,750	10,468,311
	$430,802,641	$387,734,277

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 1985

(with comparative figures for 1984)

	1985	1984
Revenue:		
Grants from the Government of the Province of Manitoba (note 14)	$22,014,223	$38,186,013
Interest from sinking fund and funds held by the Minister of Finance	1,168,799	958,801
Other	15,328	110,189
	23,198,350	39,255,003
Expenditure: (note 18)		
Interest on demand notes	10,755,317	5,134,067
Less:		
Interest applied to construction of housing projects, land inventory and operating subsidies	(3,936,893)	(2,376,171)
Interest earned on mortgages under the Homes in Manitoba Program	(6,120,855)	(2,729,484)
Interest on demand notes not applied or recovered	697,569	28,412
Corporation's share of operating subsidies on housing programs (note 2a)	19,477,460	19,396,145
Critical Home Repair Program:		
Grants		2,362,312
Loan forgiveness (note 2b)	413,486	215,518
Core Area Initiatives Home Repair Program		113,180
Community Improvement Program		385,760
Neighborhood Improvement Program		323,077
Winnipeg Core Area Improvement Program		196,463
Core Area Initiatives Grant for Homeowners - Winnipeg		805,000
The Elderly and Infirm Person's Housing Act		185,165
Non-profit housing corporations		1,127,439
North Logan Municipal Services		245,211
Winnipeg Housing Rehabilitation Corporation		192,500
Shelter Allowance for Elderly Renters		2,942,679
Shelter Allowance for Family Renters		1,246,282
Mortgage Interest Rate Relief Program		936,901
Pensioner Tenants School Tax Assistance		1,084,970
Administrative, per schedule	184,448	5,321,395
Provision for loss on land (note 8)	703,200	2,098,300
Net loss on housing projects and land sales	288,397	549,730
Amortization of renewal schemes	95,351	142,426
	21,859,911	39,898,865
Excess of revenue over (under) expenditure, transferred to General Reserve	$ 1,338,439	$ (643,862)

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION

STATEMENT OF RESERVES

YEAR ENDED MARCH 31, 1985
(with comparative figures for 1984)

	1985	1984
Renewal Scheme Development Reserve:		
Balance at beginning of year	$ 2,372,481	$ 2,244,233
Less - adjustment to reflect change in accounting policy (note 3)	128,248	-
Balance as restated	2,244,233	2,244,233
Less - transfer to General Reserve	2,244,233	-
Balance at end of year	-	2,244,233
Sinking Fund Reserve: (note 13)		
Balance at beginning of year	8,185,248	7,109,640
Add - transfer from General Reserve	1,479,651	1,075,608
Balance at end of year	9,664,899	8,185,248
General Reserve:		
Balance at beginning of year	2,283,063	4,002,533
Less - adjustment to reflect change in accounting policy (note 3)	2,244,233	2,244,233
Balance as restated	38,830	1,758,300
Add - excess of revenue over (under) expenditure	1,338,439	(643,862)
- transfer from Renewal Scheme Development Reserve	2,244,233	-
	3,621,502	1,114,438
Less - net transfer to Sinking Fund Reserve	1,479,651	1,075,608
Balance at end of year	2,141,851	38,830
Total Reserves	$11,806,750	$10,468,311

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEAR ENDED MARCH 31, 1985
(with comparative figures for 1984)

	1985	1984
Sources of working capital:		
Excess of revenue over (under) expenditure	$ 1,338,439	$ (643,862)
Add (deduct) items not affecting working capital:		
Provision for loss on land	703,200	2,098,300
Loan forgiveness - Critical Home Repair Program	413,486	215,518
Depreciation of housing projects	1,092,038	806,198
Depreciation of housing investments	339,893	583,684
Depreciation of corporate fixed assets	286,794	258,874
Amortization of renewal schemes	95,351	142,426
Amortization of Rural and Northern Housing Program mortgages	267,204	230,064
Amortization of deferred financing costs	31,990	31,990
Amortization of long-term land lease and rental subsidies received in advance	(3,490)	(3,343)
Funds provided from operations	4,564,905	3,719,849
Advances from the Government of the Province of Manitoba	48,183,478	56,418,226
Advances from Canada Mortgage and Housing Corporation	2,726,185	2,713,673
Proceeds from land sales	1,672,737	3,352,864
Principal recoveries from loans and mortgages	4,223,882	2,988,424
Renewal scheme recoveries, net	1,413	19,873
	61,372,600	69,212,909
Applications of working capital:		
Expenditures on housing projects	11,360,868	15,517,350
Expenditures on land inventory	6,221,450	5,615,783
Additional housing investment	1,674,017	871,563
New loans and mortgages	33,915,553	43,776,702
Long-term debt principal repayments:		
Government of the Province of Manitoba	4,855,225	370,115
Canada Mortgage and Housing Corporation	2,740,496	2,700,358
Mortgages	30,169	28,316
Acquisition of corporate fixed assets	7,437	117,489
Contribution to sinking fund	1,479,651	1,075,608
	62,284,866	70,073,284
Decrease in working capital	912,266	860,375
Working capital, beginning of year	81,870	942,245
Working capital (deficiency), end of year	$ (830,396)	$ 81,870

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION

SCHEDULE OF ADMINISTRATIVE EXPENDITURES

YEAR ENDED MARCH 31, 1985
(with comparative figures for 1984)

	1985	1984
Advertising and exhibits	$	$ 46,383
Automotive and travel		288,463
Board of Directors		38,710
Computer services		963,537
Depreciation - office furnishings and automotive equipment	85,787	70,032
- office premises	98,661	96,084
Employer's share of employee benefits		187,973
Health and post-secondary education tax levy		81,065
Equipment operation and rentals		15,860
Memberships, conferences and publications		38,970
Office accommodations and renovations		304,304
Postage and telephone		193,940
Printing and stationery		162,836
Professional fees		480,614
Salaries		4,379,848
Sundry		64,957
	184,448	7,413,576
Less - administrative expenditures applied to construction and housing program operating subsidies		1,721,324
- recoveries related to programs administered for Government departments and agencies:		
Mortgage Interest Rate Relief Program		163,034
Home Insulation Loan Program		31,500
Residential Rehabilitation Assistance Program		176,323
		2,092,181
Administrative expenditures, net	$184,448	$5,321,395

(see accompanying notes)

THE MANITOBA HOUSING AND RENEWAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1985

1. Nature of the Corporation

The Manitoba Housing and Renewal Corporation (MHRC) was established as a crown corporation by The Housing and Renewal Corporation Act on June 21, 1967. The objective of the Corporation is to improve standards of living accommodation in the Province of Manitoba and to assist residents to obtain living accommodation of reasonable standards.

Effective April 1, 1984, there was a significant shift in program responsibility from MHRC to the Department of Housing, Province of Manitoba, as described in note 18.

The Corporation is economically dependent on the Government of the Province of Manitoba.

2. Significant accounting policies

a) The Corporation's financial statements are prepared using the accrual basis of accounting except for the Corporation's share of operating subsidies on housing programs, foreign exchange losses on long-term debt denominated in U.S. funds, and discounts on sinking fund investments which are accounted for as follows:

i) Corporation's share of operating subsidies on housing programs:

Net expenditures for operating subsidies for various housing programs are charged to operations on a calendar year basis. Any payments issued or cash collections received between January 1

2. Significant accounting policies (cont'd)

and March 31 each fiscal year are reflected as deferred operating subsidies to be applied to subsequent year's operations. The deferred operating subsidies account does not include charges for this three month period for major subsidy elements such as property taxes, interest on long-term debt, depreciation, and CMHC's share of aggregate subsidies.

ii) Foreign exchange losses on long-term debt:

Long-term advances from the Government of the Province of Manitoba which are repayable in U.S. currency have been recorded at the exchange rate in effect at time of the receipt of the funds and have not been adjusted to reflect the exchange rate in effect at the balance sheet date.

iii) Discounts on sinking fund investments:

Sinking fund investments are recorded at cost. Discounts obtained at the time of acquisition are taken into income on maturity of the related investment.

b) Loan forgiveness under the Critical Home Repair Program is approved in accordance with the terms of the loan agreement and charged to operations in the year that the forgiveness is allowed.

c) The Corporation participates in a CMHC administered program for non-profit housing corporations. Payments are issued as forgiveable loans which are reflected as loans and mortgages receivable. During the year forgiveable loans in the amount of $1,684,136 were issued. The forgiveness conditions require that the project operate under CMHC

2. Significant accounting policies (cont'd)

guidelines throughout the term of the related operating agreement. Loan forgiveness is earned by the non-profit corporations in equal annual amounts over the period of the related operating agreements and is recognized as an operating expenditure on the annual anniversary date of each operating agreement. During the year there was no forgiveness earned by the recipient corporations.

d) Depreciation and amortization are described in subsequent notes as follows:

Housing projects	- note 6
Housing investments	- note 7
Renewal schemes	- note 9
Corporate fixed assets	- note 10

3. Change in accounting policies

Effective April 1, 1984, the Corporation changed two significant accounting policies. Both changes have been applied retroactively and prior year comparative figures restated to reflect the changes.

a) Amortization of renewal scheme projects:

Previously, annual amortization was reflected as a transfer from the General Reserve to the Renewal Scheme Development Reserve. Annual amortization is now charged as an operating expenditure.

As a result, renewal scheme assets have been reduced by $2,372,481, with compensating reductions to the Renewal Scheme Development Reserve of $128,248 and the General Reserve of $2,244,233. Also, the amount

3. Change in accounting policies (cont'd)

previously reflected as a transfer from the General Reserve to the Renewal Scheme Development Reserve is now reflected as an operating expenditure and as a result, the excess of expenditure over revenue for 1984 has been increased by $142,426.

The excess of revenue over expenditure for 1985 has been reduced by $95,351 as a result of this change, and the balance in the Renewal Scheme Development Reserve has been transferred back to the General Reserve.

b) Allocations for Sinking Fund Reserve:

Previously, annual allocations for the Sinking Fund Reserve were recorded as an operating expenditure. The Sinking Fund Reserve is continuing but now with annual allocations reflected as transfers from the General Reserve. As a result, the excess of expenditure over revenue for 1984 has been reduced by $1,237,908, and the excess of revenue over expenditure for 1985 has been increased by $1,576,451.

4. Accounts receivable and accruals

	1985	1984
Canada Mortgage and Housing Corporation	$1,771,239	$3,242,063
Government of the Province of Manitoba and its agencies	4,679,950	1,428,868
Other - net of allowance (1985 - $154,408, 1984 - $114,183)	2,236,016	1,627,753
Accounts receivable and accruals	$8,687,205	$6,298,684

4. Accounts receivable and accruals (cont'd)

Included in the amount receivable from CMHC is $253,417 with respect to overexpenditures on projects. On December 31, 1985, this balance was approved for funding by CMHC and receipt is anticipated as soon as the Corporation provides CMHC with a satisfactory cost certification and other requested homeowner information.

5. Loans and mortgages receivable

	1985	1984
Rural and Northern Housing Program	$ 7,788,799	$ 7,673,628
Less: Financing provided by CMHC	5,803,951	5,818,510
	1,984,848	1,855,118
Critical Home Repair Program:		
- recoverable loans	1,229,818	1,038,882
- forgiveable loans (note 2b)	1,360,898	1,193,298
The Pas Mobile Home Subdivision mortgages	289,360	321,613
Homes in Manitoba Program mortgages	69,038,931	42,457,461
Lease/purchase land agreements	2,730,118	2,494,882
Non-profit housing corporations forgiveable loans (note 2c)	1,684,136	
Manitoba RentalStart Program advances	66,217	
Other	18,147	30,238
Loans and mortgages receivable	$78,402,473	$49,391,492

Mortgages under the Homes in Manitoba Program are administered by both outside lending institutions and by MHRC. Those administered by outside lending institutions, amounting to $61,431,518, are insured by CMHC or the Mortgage Insurance Company of Canada. Those administered by MHRC, amounting to $7,607,413, are assessed a fee which is set aside in a fund to

5. Loans and mortgages receivable (cont'd)

provide for any related expenses in the event of default by a mortgagor. The balance in this fund was $92,887 as at March 31, 1985 and is included with accounts payable.

6. Housing projects

	1985	1984
Rural and Northern Housing Program:		
Completed - for rent	$ 14,759,792	$ 12,535,752
- for sale	5,998,545	6,427,823
Under construction	3,106,467	1,483,953
Upgrading program - deferred capital costs	702,579	1,118,303
	24,567,383	21,565,831
Less: Financing provided by CMHC	17,676,064	15,934,293
	6,891,319	5,631,538
Other urban and rural housing programs:		
Completed	267,242,138	262,001,341
Under construction	6,352,477	5,310,410
	273,594,615	267,311,751
Housing projects	$280,485,934	$272,943,289

Completed housing projects are valued at capitalized cost less depreciation, except for the North Logan project which is valued at the appraised market value of $595,300 as determined between April, 1984 and August, 1984 by the Land Acquisition Branch of the Department of Government Services, Province of Manitoba. This valuation represents the lower of cost or appraised market value.

6. Housing projects (cont'd)

Projects under construction are valued at capitalized cost which includes direct construction costs, land acquisition, interest, grants in lieu of taxes and an administrative fee charged by the Department of Housing, Province of Manitoba.

The upgrading program relates to rehabilitation costs incurred on rental units and these costs are being depreciated on a straight-line basis over the remaining term of the original mortgage.

Under the Rural and Northern Housing Program depreciation is based on the imputed principal repayment equivalent to that of 100% debt financing with CMHC rates. Depreciation under other urban and rural housing programs is based on the actual principal repayment of the related debt.

Depreciation on housing projects is included as an expenditure in the Corporation's share of operating subsidies on housing programs.

7. Housing investment

Housing investment represents joint venture projects under the Rural and Northern Housing Program which are being administered by CMHC. The investment balance represents MHRC's share and is valued at cost less depreciation which is equal to the annual principal repayment of the related debt as determined by CMHC. Depreciation is included as an expenditure in the Corporation's share of operating subsidies on housing programs.

THE MANITOBA HOUSING AND RENEWAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1985

8. Land inventory

	1985		1984	
	COST	ACCUMULATED LOSS PROV.	COST	ACCUMULATED LOSS PROV.
Land under development	$ 9,111,219	$6,964,856	$ 8,588,719	$6,456,856
Land held for future development	44,958,958	1,574,100	40,909,397	1,378,900
Land leased	1,875,569		1,898,917	
	55,945,746	$8,538,956	51,397,033	$7,835,756
Accumulated loss provision	8,538,956		7,835,756	
Land inventory, net	$47,406,790		$43,561,277	

The current year's provision for loss on land is as follows:

	1985	1984
Land under development	$ 508,000	$1,892,000
Land held for future development	195,200	206,300
Provision for loss on land	$ 703,200	$2,098,300

Land inventory is valued at capitalized cost less provision for losses on land under development and on expropriated property which is included with land held for future development. Capitalized cost includes aquisition costs, interest, planning and development costs, grants in lieu of taxes where applicable, less revenue derived from use of undeveloped land.

9. Renewal schemes

Renewal schemes are valued at cost less amortization. Amortization is based on the actual principal repayment of the related debt.

10. Corporate fixed assets

	1985			1984
	COST	ACCUMULATED DEPRECIATION	NET	NET
Land	$ 71,900	$	$ 71,900	$ 71,900
Buildings	352,905	69,409	283,496	290,688
Leasehold improvements	375,621	321,472	54,149	142,897
Office furnishings	500,251	334,170	166,081	204,243
Construction equipment	20,607	18,740	1,867	2,334
Automotive equipment	226,643	226,643		44,266
Propane distribution system	738,026	626,936	111,090	211,612
Corporate fixed assets	$2,285,953	$1,597,370	$ 688,583	$ 967,940

Corporate fixed assets are valued at cost less depreciation provided on the following bases:

Buildings - straight-line based on a 50 year useful life or if funded by specific long-term debt based on the annual principal repayment of the related debt, amortized over 50 years.

Leasehold improvements - straight-line based on the remaining term of the lease.

10. Corporate fixed assets (cont'd)

Office furnishings and construction equipment - 20% of the undepreciated balance.

Automotive equipment - was transferred to the Department of Government Services, Province of Manitoba on April 1, 1984 and the net book value charged to operations as depreciation.

Propane distribution system - based on the annual principal repayment of debt financing, amortized over 10 years.

Depreciation is reflected as an administrative expenditure or is included as an expenditure in the Corporation's share of operating subsidies on housing programs.

11. Long-term land lease and rental subsidies received in advance

	1985	1984
Long-term land lease prepaid, expiring in 2039	$ 83,974	$ 85,513
Long-term rental subsidies received in advance from sponsors	140,699	142,650
Long-term land lease and rental subsidies	$ 224,673	$ 228,163

THE MANITOBA HOUSING AND RENEWAL CORPORATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1985

12. Long-term debt

	1985	1984
Government of the Province of Manitoba:		
Demand notes payable (convertible to long-term advances), at prime interest rates or fixed rates from 10 7/8% to 14 3/4%	$111,644,678	$ 67,901,090
Long-term advances, at rates from 8.28% to 14.50% maturing at various dates to 2029 and requiring annual payments of $7,223,288 towards principal and interest	64,008,204	64,423,539
Canada Mortgage & Housing Corporation:		
Long-term advances		
- housing and land, at rates from 7% to 11% maturing at various dates to 2030 and requiring annual payments of $22,761,471 towards principal and interest	233,688,395	236,332,100
- renewal schemes, at rates from 6 3/8% to 8 1/4% maturing at various dates to 1989 and requiring annual payments of $113,541 towards principal and interest	311,843	408,634
	409,653,120	369,065,363
Less: Sinking fund on deposit with the Government of the Province of Manitoba (note 13)	9,664,899	8,185,248
	399,988,221	360,880,115
Mortgages payable (assumed on property acquisitions), at rates from 5 1/8% to 14 1/4% maturing at various dates to 2028 and requiring annual payments of $484,574 towards principal and interest	5,059,324	5,089,493
Long-term debt	$405,047,545	$365,969,608

12. Long-term debt cont'd)

Included in long-term advances from the Government of the Province of Manitoba is an advance of $12,427,811 payable in U.S. currency which matures in 1990 (see accounting policy, note 2a). Based on the rate of exchange prevailing at March 31, 1985, $14,772,833 would be required to discharge this debt. The remaining related deferred finance charges of $83,602 (1984 - $115,592) are being amortized based on the term of the debt repayment.

13. Sinking fund

	1985		1984	
	PAR VALUE	COST	PAR VALUE	COST
Bonds: (note 2a)				
Manitoba Hydro-Electric Board	$5,607,000	$4,133,638	$4,710,000	$3,416,792
Manitoba Telephone System	1,583,000	1,121,978	1,638,000	1,167,472
Government of the Province of Manitoba	2,486,000	2,445,820	2,285,000	2,255,967
	$9,676,000	7,701,436	$8,633,000	6,840,231
Cash, interest bearing		1,963,463		1,345,017
Sinking fund		$9,664,899		$8,185,248

MHRC is required to maintain a sinking fund on deposit with the Minister of Finance for the purpose of retiring at maturity, long-term debt which does not require annual principal repayments. The required minimum annual payment to the sinking fund must equal 4% of the sinking fund balance as at

13. Sinking fund (cont'd)

the end of the preceding fiscal year plus 1% of the advances and borrowings of MHRC other than those secured by a first mortgage on land or by an agreement or debenture that provides for the retirement of the debt by annual repayments of principal and interest. Income earned on sinking fund investments (1985 - $876,451, 1984 - $687,908) is paid to MHRC and a portion of the income earned (1985 - $623,800, 1984 - $472,681) is set aside in the sinking fund in addition to the minimum statutory requirement.

14. Grants from the Government of the Province of Manitoba

	1985	1984
Department of Housing:		
- MHRC operating programs	$21,314,223	$34,559,500
- Sinking fund, portion of statutory requirement	700,000	550,000
	22,014,223	35,109,500
Department of Finance:		
- Mortgage Interest Rate Relief Program		940,283
- Pensioner Tenant School Tax Assistance Program		1,086,019
Department of Urban Affairs:		
- Core Area Initiatives Grant for Homeowners		805,000
- North Logan Municipal Services		245,211
Grant revenue	$22,014,223	$38,186,013

15. Commitments

a) The Corporation is committed to expend $42,771,000 for completion of housing under construction and for approved mortgage applications.

b) The Corporation is committed under the Critical Home Repair Program for undisbursed balances on approved loans for $202,400.

16. Guarantees and contingent liabilities

a) The Corporation is named as defendant in one civil suit where action by the plaintiff has commenced. The plaintiff has requested the court to assess the relief plus costs. Any resultant settlement is not expected to be significant in relation to the Corporation's operations. No provision has been recorded for this contingent liability.

b) The Corporation has guaranteed the repayment of mortgages in the amount of $5,825,216. The guarantees arose as follows:

Mobile Home Loan Guarantee Program	$5,347,195
Rural Mortgage Lending Program	345,521
Other	132,500
Outstanding guarantees	$5,825,216

A guarantee fee of 2% charged to each borrower is paid into the Mortgage Insurance Fund. As at March 31, 1985 the Fund amounting to $112,572 (March 31, 1984 - $81,135) was on deposit with the Minister of Finance. These fees and the balance on deposit have not been reflected in these financial statements.

17. Comparative figures

Certain comparative figures on the financial statements have been restated to conform with the presentation of the current year.

18. Transfer of personnel & programs to the Department of Housing, Province of Manitoba

As at April 1, 1984 the Government of the Province of Manitoba took over as a departmental responsibility all of the Corporation's programs, except for those relating to operating subsidies on housing programs, interest subsidies on mortgage programs, loan forgiveness programs and related assets and debt. All staff, except for legal counsel, have been transferred to the Department of Housing, Province of Manitoba and will continue to administer the programs, the assets and debt remaining with the Corporation. Costs of this administrative service and salary costs of legal counsel are not reflected in these financial statements except for administrative charges allowed by the Rural and Northern Housing Program, Urban and Rural Housing Program and Rent Supplement Program which are cost shared with CMHC.

THE MANITOBA HYDRO-ELECTRIC BOARD

AUDITORS' REPORT

We have examined the balance sheet of The Manitoba Hydro-Electric Board as at March 31, 1985 and the statements of operations, reserves and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985, and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles set out in Note 1 to the financial statements applied, after giving retroactive effect to the change in the method of foreign currency translation and the change in amortization of discount on sinking fund investments as explained in Note 7 to the financial statements on a basis consistent with that of the preceding year.

Peat, Marwick, Mitchell & Co

CHARTERED ACCOUNTANTS

Winnipeg, Canada
June 5, 1985

THE MANITOBA HYDRO-ELECTRIC BOARD

Balance Sheet

AS AT MARCH 31, 1985 (with 1984 figures for comparison)

ASSETS	1985	1984
	(thousands of dollars)	
ELECTRIC UTILITY PLANT (Note 2)		
In service	$3 173 197	$3 030 182
Less: Accumulated depreciation	713 619	647 001
	2 459 578	2 383 181
Construction in progress	270 947	301 641
	2 730 525	2 684 822
INVESTMENTS (at cost)	1 999	2 012
CURRENT ASSETS		
Temporary investments	1 655	87 000
Accounts receivable	56 302	49 439
Accrued revenue	17 772	15 238
Interest receivable and accrued	10 674	11 006
Materials and supplies (at average cost)	27 712	25 220
Prepaid expenses	1 084	1 146
	115 199	189 049
DEFERRED ASSETS (Note 3)	75 860	58 209
	$2 923 583	$2 934 092

Approved on behalf of the Board:

M. Eliesen

Chairperson

Vice-Chairman

LIABILITIES AND RESERVES	1985	1984
	(thousands of dollars)	
LONG-TERM DEBT (Note 4)	$2 213 115	$2 404 657
CURRENT LIABILITIES		
Bank balances	16 062	15 631
Accounts payable and accrued liabilities	36 436	39 236
Notes payable (due within one year)	178 859	133 774
Contract holdbacks	2 896	4 689
Accrued interest	88 072	86 997
Current portion of long-term debt (Note 4)	210 469	122 946
	532 794	403 273
DEFERRED LIABILITIES	12 169	9 961
DEFERRED CREDITS (Note 5)	71 911	37 848
RESERVES (Note 6, 7)	93 594	78 353
	$2 923 583	$2 934 092

The accompanying notes are an integral part of the financial statements.

THE MANITOBA HYDRO-ELECTRIC BOARD

Statement of Operations

FOR THE YEAR ENDED MARCH 31, 1985 (with 1984 figures for comparison)

	1985	1984
	(thousands of dollars)	
REVENUES		
Sale of power		
Manitoba	**$397 495**	$350 159
Extraprovincial	**103 151**	105 654
Other revenue	**5 768**	5 684
	506 414	461 497
EXPENSES		
Operating and administrative	**169 040**	160 735
Depreciation—plant	**69 339**	66 294
Fuel and power purchased	**14 392**	9 289
	252 771	236 318
Net revenue before finance expense	**253 643**	225 179
FINANCE EXPENSE		
Interest on debt	**315 707**	290 422
Amortization of debt discount and expense	**3 209**	3 216
Finance expense allocated to construction	**(39 324)**	(31 487)
Investment income	**(37 083)**	(33 298)
	242 509	228 853
NET REVENUE (EXPENSE) TRANSFERRED TO RESERVES	**$11 134**	$ (3 674)

The accompanying notes are an integral part of the financial statements.

THE MANITOBA HYDRO-ELECTRIC BOARD

Statement of Reserves
FOR THE YEAR ENDED MARCH 31, 1985 (with 1984 figures for comparison)

	1985			1984
	(thousands of dollars)			
	Contingency and General	Rate Stabilization	Total	Total
BALANCE BEGINNING OF YEAR				
As previously stated	$123 829	$(45 476)	$78 353	$82 027
Change in Accounting Policy				
Translation of foreign currencies				
—Short term notes (Note 7a)	—	(6 460)	(6 460)	—
— Sinking fund investments (Note 7b)	—	1 807	1 807	—
Change in Accounting Policy				
- Amortization of discount on sinking fund investments (Note 7c)	—	8 760	8 760	—
As restated	123 829	(41 369)	82 460	82 027
Net revenue (expense) transferred from operations	—	11 134	11 134	(3 674)
BALANCE END OF YEAR	$123 829	$(30 235)	$ 93 594	$78 353

The accompanying notes are an integral part of the financial statements.

THE MANITOBA HYDRO-ELECTRIC BOARD

Statement of Changes in Financial Position

FOR THE YEAR ENDED MARCH 31, 1985 (with 1984 figures for comparison)

	1985	1984
	(thousands of dollars)	
SOURCE OF FUNDS		
From operations		
Net revenue (expense)	$ 11 134	$ (3 674)
Provision for depreciation—plant	69 339	66 294
Amortization of debt discount and expense	3 209	3 216
Other	229	346
	83 911	66 182
Proceeds from long-term debt	61 002	198 234
Contributions and advances in aid of construction, less refunds	4 189	4 843
Increase in deferred credits and the opening balance of reserves resulting from the changes in accounting policy (Note 7)	38 038	—
Other transactions—net	2 370	2 497
	189 510	271 756
APPLICATION OF FUNDS		
Additions to fixed assets	122 903	152 546
Decrease in long-term debt	171 614	125 665
Increase in sinking fund investments resulting from the changes in accounting policy (Note 7)	44 498	—
Sinking fund payment	38 755	37 637
Deferred cost of matured forward exchange contracts	15 111	—
	392 881	315 848
DECREASE IN WORKING CAPITAL	$ 203 371	$ 44 092

The accompanying notes are an integral part of the financial statements

THE MANITOBA HYDRO-ELECTRIC BOARD

Notes to the Financial Statements
FOR THE YEAR ENDED MARCH 31, 1985

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles except for the accounting for pension costs as noted in d) below.

a) Electric Utility Plant

The electric utility plant is stated at cost which consists of contracted services, direct labour, material and expense, a proportionate share of overhead costs and interest applied at the effective rates incurred in financing construction. Finance expense is allocated to construction until a facility becomes operational or a decision is made to abandon, cancel or indefinitely defer construction. The cost of plant removed plus removal costs less salvage value is charged to accumulated depreciation.

Major facilities of major projects under construction become operational on a progressive basis. As such facilities become operational, related construction costs and a pro rata share of related common properties are transferred to plant in service. Once the transfer to plant in service is made, finance expense allocated to construction ceases and depreciation commences.

Depreciation is provided on a straight line basis using the following service lives for major assets:

Hydro-electric generation	67 years
Thermal electric generation	33 years
Transmission lines and stations	35-50 years
Distribution lines	30-35 years

Depreciation of the transportation fleet amounting to $2 657 000 (1984 — $2 589 000) is included in the overall fleet cost which is allocated on a usage basis to capital and operating accounts and is therefore not included as part of the plant depreciation provision.

b) Foreign Exchange:

Long-Term Debt

Long term debt payable in foreign currencies is recorded at Canadian dollar equivalents using the exchange rates prevailing at the time the debt was incurred.

The Energy Rate Stabilization Act which came into force April 1, 1979 provides for the Province of Manitoba to relieve the Corporation of the costs associated with the foreign debt of Manitoba Hydro by replacing them with Canadian equivalent costs based on Canadian rates for similar terms as at the date the debt was incurred. The Province of Manitoba has confirmed to the Corporation that had the Province of Manitoba not assumed the cost of foreign debt at April 1, 1979 the valuation of the long-term debt of the Corporation as at March 31, 1985 would have been increased by approximately $478 million (1984 - $358 million) when translated at the year end rates of exchange. The Province of Manitoba also confirmed that the net expenditures relating to the debt sustained by the Province in the current year amounted to $17.5 million (1984 - $21.9 million).

Current Assets and Current Liabilities

Current monetary assets and liabilities denominated in foreign currencies, excluding long-term debt payable within one year are translated into Canadian currency at rates of exchange prevailing at the date of the balance sheet. The unrealized exchange gains or losses together with realized exchange gains or losses are credited or charged to operations.

Sinking Fund Investments

Sinking fund investments denominated in foreign currencies are translated into Canadian currency at the rates of exchange prevailing at the date of the balance sheet, except where the investments have been hedged by the Minister of Finance of the Province of Manitoba, in which case the rate confirmed by the Province is used in the translation. The unrealized exchange gains or losses are amortized over the remaining life of the investment and together with realized exchange gains or losses are credited or charged to operations.

c) Hedging Program

To eliminate foreign exchange risk on United States revenues, the Corporation has fixed the foreign exchange rate for the conversion of future United States extraprovincial revenues to Canadian dollars until 1987-88, by the acquisition of forward exchange contracts. The appropriate portion of the deferred cost of matured foreign exchange contracts will be recognized with the related revenue in future years.

d) Pensions:

Manitoba Civil Service Superannuation Fund

In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Corporation contributes 50% of the pension disbursements made to retired employees. Such payments are charged to income as incurred and a provision is not made in the accounts to fund current or past service obligations of the Corporation to the Civil Service Superannuation Fund.

According to the formula contained in the actuarial report for the year ended December 31, 1983, Manitoba Hydro's unrecorded liability at December 31, 1984 as a result of the participation of employees under the Civil Service Superannuation Act was:

a) if no allowance is made for future increases in pension due to increases in the cost of living, $96 360 000 (1983 - $85 213 800).
b) if allowance is made for future increases in pension due to increases in the cost of living, $140 843 000 (1983 - $123 508 200).

Manitoba Hydro Retirement Plan

The Manitoba Hydro Retirement Plan is a defined benefit plan which continues to provide benefits to employees and pensioners in respect of service prior to the date each employee entered the Manitoba Civil Service Superannuation Fund. The actuarial report dated January 1985 indicates an unfunded liability as at July 1, 1984 of $5.3 million (1983 - $5.0 million) which is being funded and charged to operations over the next 15 years.

e) Unamortized Debt Discount and Expense

These costs are charged to income over the life of the respective issue.

f) Discount on Sinking Fund Investments

The Corporation records sinking fund investments at par value. The difference between the cost and the par value of the investments is recorded as a premium or discount and the resulting gain or loss is amortized over the remaining life of the investment or charged upon disposal to investment income.

g) Unamortized Planning Studies

These costs are charged to income over a fifteen year period.

h) Unbilled Revenue

Revenues include an estimate of energy delivered but not billed.

NOTE 2 — FIXED ASSETS (at cost)

					1985	1984
	Fixed Assets In Service			**Construction In Progress**	**Total**	Total
	Original Cost	**Accumulated Depreciation**	**Book Value**			
		(thousands of dollars)				
Generation	$1 844 105	$ 343 136	$1 500 969	$ 183 724	**$1 684 693**	$1 675 224
Transmission	205 015	55 376	149 639	1 494	**151 133**	158 309
Substations	598 630	127 766	470 864	67 497	**538 361**	510 388
Distribution	420 644	142 107	278 537	6 583	**285 120**	269 649
Other	104 803	45 234	59 569	11 649	**71 218**	71 252
	$3 173 197	$ 713 619	$2 459 578	$ 270 947	**$2 730 525**	$2 684 822

NOTE 3—DEFERRED ASSETS

	1985	1984
	(thousands of dollars)	
Unamortized bond discount and expense	**$22 397**	$23 283
Unamortized planning study costs	**34 626**	30 683
Deferred cost of matured forward exchange contracts	**15 111**	—
Other	**3 726**	4 243
	$75 860	$58 209

NOTE 4—LONG-TERM DEBT

The Corporation pays an annual sinking fund installment to the Minister of Finance of the Province of Manitoba as provided by The Manitoba Hydro Act of not less than 1% of the principal amount of the outstanding long-term debt on the preceding March 31, and 4% of the balance in the sinking fund at such date. Such installments would provide for the full retirement of a debt obligation only if the obligation was outstanding for forty-one years.

Income earned on sinking fund investments is remitted to the Corporation and is included with investment income for the year.

Manitoba Hydro's bonds are guaranteed by the Province of Manitoba.

Canadian equivalent coupon rates on long-term debt as established under the Energy Rate Stabilization Act as set out in Note 1b range from 4.84% to 17.74%. The weighted average coupon rate on the long-term debt outstanding at March 31, 1985 is 10.20% (1984 - 10.09%).

For the purpose of financing capital construction expenditures and refunding debt during the year, the Corporation received advances totalling $61.1 million from the Province of Manitoba as follows:

$57.2 million due June 6, 1994 with interest at 13.72%.

$3.4 million with interest at 13.00% and $0.5 million with interest at 12.625%, repayable in equal annual installments to March 31, 2015 under a Government of Canada loan agreement.

THE MANITOBA HYDRO-ELECTRIC BOARD

Long-Term Debt:	1985	1984
	(thousands of dollars)	
Total long-term debt outstanding —		
The Manitoba Hydro-Electric Board Bonds	**$1 408 990**	$1 415 175
Advances from the Province of Manitoba represented by debenture debt of the Province	**1 209 522**	1 236 698
Advances from the Province of Manitoba under a loan agreement between the Province and the Government of Canada	**145 679**	141 069
	2 764 191	2 792 942
Less: Sinking fund on deposit with the Minister of Finance	**340 607**	265 339
	2 423 584	2 527 603
Less: Long-term debt payments due within one year— Sinking fund installments and net maturities	**210 469**	122 946
	$2 213 115	$2 404 657

Debt Maturities:

		Cash Requirements		
Year Ending March 31	**Principal Amount of Maturities**	**Maturities Net of Sinking Fund**	**Annual Sinking Fund Installments**	**Total**
		(thousands of dollars)		
1986	$ 200 226	$ 170 771	$ 39 698	**$ 210 469**
1987	32 125	24 562	38 160	**62 722**
1988	143 796	106 232	39 062	**145 294**
1989	201 866	179 451	37 453	**216 904**
1990	180 654	155 726	36 036	**191 762**
	$ 758 667	$ 636 742	$ 190 409	**$ 827 151**
1991-1995	1 102 277	843 233	148 583	**991 816**
1996-2000	179 112	109 311	96 193	**205 504**
2001-2005	416 882	202 818	86 028	**288 846**
2006-2010	297 173	133 020	16 191	**149 211**
2011-2015	10 080	4 507	962	**5 469**
	$2 764 191	$1 929 631	$ 538 366	**$2 467 997**

NOTE 5—DEFERRED CREDITS

	1985	1984
	(thousands of dollars)	
Non refundable capital contributions	**$39 176**	$37 477
Unamortized sinking fund investment discount	**21 548**	—
Unamortized foreign exchange on sinking fund investments	**8 650**	—
Other	**2 537**	371
	$71 911	$37 848

NOTE 6—RESERVES

The Corporation maintains the following reserves:

Contingency and General Reserve
An amount calculated as a percentage of net interest expense at a rate as stipulated by The Manitoba Hydro-Electric Board, may be transferred annually to this reserve. A transfer was not made for the years ended March 31, 1985 and 1984.

Rate Stabilization Reserve
The net revenue or expense after provision for the contingency and general reserve is transferred annually to this reserve.

NOTE 7—CHANGES IN ACCOUNTING POLICY

Effective April 1, 1984 the Corporation adopted on a retroactive basis the following changes in accounting policy. The financial statements have not been restated for comparative purposes for 1983-84. The amounts involved were not considered to be significant.

a) Foreign Exchange Translation of Short Term Notes

The Corporation adopted the recommendations of the Canadian Institute of Chartered Accountants for translation of foreign currency denominated short term notes as described in Note 1b. Prior to April 1, 1984 short term notes were translated into Canadian currency at the rate of exchange at the time of issue with the recognition of gains or losses occurring as realized.

This retroactive change in accounting policy resulted in a cumulative reduction to the opening balance of reserves of approximately $6.5 million

b) Foreign Exchange Translation of Sinking Fund Investments

The Corporation adopted the recommendations of the Canadian Institute of Chartered Accountants for the translation of foreign currency denominated sinking fund investments as described in Note 1b. Prior to April 1, 1984 sinking fund investments were translated into Canadian currency at the rate of exchange at the time of purchase with the recognition of gains or losses occurring at maturity or disposal.

This retroactive change in accounting policy resulted in a cumulative increase in the opening balance of reserves of approximately $1.8 million.

c) Discount on Sinking Fund Investments

The Corporation adopted the method of accounting for sinking fund investments discount as described in Note 1f. Prior to April 1, 1984 the sinking fund investments were recorded at cost with the recognition of gains or losses occurring at maturity or disposal.

This retroactive change in accounting policy resulted in a cumulative increase in the opening balance of reserves of approximately $8.8 million.

NOTE 8—COMMITMENTS

a) Lease Commitments

In accordance with a lease agreement entered into during 1966 between the Governments of Canada and Manitoba, direct current transmission facilities were constructed between the Kettle Generating Station and Winnipeg. The agreement provides for repayment by the Corporation of the capital cost with accrued interest at 5.625% over a term of forty-five years in accordance with a repayment schedule requiring substantially smaller payments during the earlier years. The schedule provides for payment of $12 500 000 for the year ended March 31, 1985 (1984 — $10 000 000) and for annual increases in payments of $2 500 000 for the years 1986 to 1989. The progressive increases result in a payment in 1989 of $22 500 000. Payments for the fiscal years 1990 to 2019 will be calculated as the equal annual payment required to amortize the outstanding balance over thirty years at 5.625%. In addition, on account of the related microwave communications system, a final payment of $206 000 was made for the year ended March 31, 1985 (1984 - $596 000). The unpaid balance of principal plus accrued interest for transmission and microwave facilities amounted to approximately $360 942 000 as at March 31, 1985 (1984 - $353 702 000).

The Corporation's policy is to charge the lease payments to operations in the period in which they become payable. This policy is consistent with the intent of the lease agreement of providing economic relief to ratepayers during the early years of the Nelson River development. This is evident when compared with a calculation of a charge in accordance with the C.I.C.A. recommendation on accounting for capital leases entered into subsequent to January 1, 1979, which indicates that an additional amount of approximately $12.1 million would have been charged to operations for the year and an additional net asset amount of approximately $187.8 million would have been recorded relating to the transmission facilities and microwave system.

b) Mitigation - Northern Flood Agreement

Manitoba Hydro is party to an agreement with the Government of Canada, the Province of Manitoba and the Northern Flood Committee Inc., which includes compensation and mitigation for the impact of the Churchill River Diversion and Lake Winnipeg Regulation projects. The total spent on compensation and mitigation during the year was $4.1 million (1984 - $5.4 million). These costs have been allocated to the respective projects.

An offer has been made in the amount of $30.3 million for a settlement of the majority of claims for resource loss or damage. There are other outstanding claims for unspecified amounts and for which the potential liability is not determinable.

c) Construction Commitments

Construction on Limestone Generating Station has been committed to provide for first power in 1990/91. The current forecasted cost of the new generating station is $2 520.5 million.

Other outstanding commitments, principally for construction, were approximately $45 352 000 (1984 - $44 697 000).

Manitoba

THE MANITOBA INTERCULTURAL COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A and B and Schedules 1 and 2, of The Manitoba Intercultural Council for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Council as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements.

F. H. Jackson, C.A.,
Provincial Auditor.

August 16, 1985,
Winnipeg, Manitoba.

Statement A

THE MANITOBA INTERCULTURAL COUNCIL

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
Cash	$ 74,584	$ 85
Grant receivable from the Province of Manitoba	-	52,623
Miscellaneous receivable from the Province of Manitoba	1,368	-
Recoverable expenses receivable from The Manitoba Lotteries Foundation (Note 5)	7,902	-
Ethnocultural Community Support Fund - Gaming revenues receivable from The Manitoba Lotteries Foundation (Note 5)	607,345	-
	$ 691,199	$ 52,708

LIABILITIES

	1985	1984
Accounts payable	$ 23,710	$ 29,462
Ethnocultural Community Support Fund (Note 5)	607,345	-
	631,055	29,462
The Manitoba Intercultural Fund - Funds retained for working capital and future operations:		
Balance, beginning of year	23,246	-
Excess of revenues over expenditures for the year, Statement B	36,898	23,246
Balance, end of year	60,144	23,246
	$ 691,199	$ 52,708

THE MANITOBA INTERCULTURAL COUNCIL

Statement of Revenues and Expenditures for the year ended March 31, 1985 (with comparative figures for the seven months ended March 31, 1984)

	1985	1984
Revenues:		
Province of Manitoba - Operating grant	$ 193,400	$ 52,623
- Salaries and other payments	-	48,843
- Manitoba Jobs and Training Program	1,531	-
- Health and Post Secondary Education Tax Levy Refund	602	-
	195,533	101,466
The Manitoba Lotteries Foundation (Note 5)	7,902	-
Other revenues	-	100
Total revenues	203,435	101,566
Expenditures:		
Administration	100,193	49,594
Council meetings	13,816	12,347
Committees:		
Executive	24,416	14,396
Lotteries	14,304	-
Cultural Affairs and Heritage Resources	1,787	542
Education and Youth	2,499	428
Human Rights	3,331	380
Immigrant Settlement	1,352	185
Media and Communications	4,839	448
Total expenditures, Schedule 1	166,537	78,320
Excess of revenues over expenditures for the year, Statement A	$ 36,898	$ 23,246

Schedule 1

THE MANITOBA INTERCULTURAL COUNCIL

Schedule of Expenditures
for the year ended March 31, 1985
(with comparative figures for the seven months ended March 31, 1984)

			Committees			Total	
	Administration	Council Meetings	Executive	Lotteries	Standing Committees, Schedule 2	1985	1984
Salaries	$ 55,924	$ 221	$ -	$ 506	$ -	$ 56,651	$ 22,787
Per diem and other fees	2,145	6,496	11,671	6,402	3,973	30,687	22,983
Rent	8,730	556	170	426	60	9,942	-
Telephone and postage	3,462	7	40	267	-	3,776	1,476
Furniture and equipment	10,631	-	-	-	-	10,631	11,356
Travel	2,735	5,351	11,149	4,733	6,596	30,564	8,166
Printing and stationery	8,905	1,133	184	894	1,879	12,995	4,246
Publications and education	5,456	-	450	-	595	6,501	1,509
Advertising and exhibits	1,423	-	-	1,070	692	3,185	2,434
Miscellaneous	782	52	752	6	13	1,605	3,363
Total expenditures, Statement B	$ 100,193	$ 13,816	$ 24,416	$ 14,304	$ 13,808	$ 166,537	$ 78,320

Schedule 2

THE MANITOBA INTERCULTURAL COUNCIL

Schedule of Expenditures for Standing Committees
for the year ended March 31, 1985
(with comparative figures for the seven months ended March 31, 1984)

	Cultural Affairs & Heritage Resources	Education & Youth	Human Rights	Immigrant Settlement	Media & Communications	Total	
						1985	1984
Per diem and other fees	$ 294	$ 672	$ 672	$ 378	$ 1,957	$ 3,973	$ 494
Rent	-	60	-	-	-	60	-
Travel	1,218	1,336	2,265	796	981	6,596	272
Printing and stationery	240	431	385	178	645	1,879	837
Publications and education	35	-	-	-	560	595	29
Advertising and exhibits	-	-	-	-	692	692	-
Miscellaneous	-	-	9	-	4	13	351
Total expenditures, Schedule 1	$ 1,787	$ 2,499	$ 3,331	$ 1,352	$ 4,839	$ 13,808	$ 1,983

THE MANITOBA INTERCULTURAL COUNCIL

Notes to Financial Statements
March 31, 1985

1. Nature of Organization

The Manitoba Intercultural Council is a crown corporation that was created by The Manitoba Intercultural Council Act, which was proclaimed on August 31, 1983. The objective of the Council is to provide information and advice to the Province of Manitoba on ethnocultural matters and to promote intercultural activities which will increase knowledge and understanding among ethnocultural groups.

2. Accounting Policy

The financial statements have been prepared on the accrual basis of accounting except for furniture and equipment expenditures which are recognized as expenditures in the year of acquisition. There has been no provision for depreciation.

3. Revenue - Province of Manitoba

During the period September 1, 1983 to March 31, 1984, Council expenditures for salaries and other payments were being paid by the Province of Manitoba on behalf of Council. This activity has been reflected as revenue from the Province and also as Council expenditures.

4. Lease Commitment

The Council has a lease commitment for office rental expiring August 31, 1987. Basic rental is $16,800 per year excluding provision for escalation in taxes, insurance and operating costs.

5. Ethnocultural Community Support Fund

The Ethnocultural Community Support Fund has been designated by The Manitoba Intercultural Council as the fund for the gaming revenues to be distributed in respect of not-for-profit multicultural organizations in the Province of Manitoba. The gaming revenues arise from an agreement in principle between the Council and The Manitoba Lotteries Foundation. As the agreement is not ratified, the Foundation has retained, to the account of the Fund, the gaming revenues allocated to the Fund. Effective November 1, 1984 the Foundation also has retained, to the account of the Fund, an administrative fee of five percent of the net proceeds from bingo and casino events held for the multicultural organizations. Administration of the Fund is provided by the Council with only certain direct administrative costs being charged to the Fund.

As at March 31, 1985, the balance of the Ethnocultural Community Support Fund and the amount receivable from The Manitoba Lotteries Foundation in respect of that Fund are determined to each be $607,345. This amount consists of the following:

THE MANITOBA INTERCULTURAL COUNCIL

Notes to Financial Statements
March 31, 1985

Amounts receivable out of the Gaming Fund of The Manitoba Lotteries Foundation:		
Distribution for the year ended March 31, 1984	$ 88,933	
Estimated distribution for the year ended March 31, 1985	509,993	$ 598,926
Administrative fee withholdings:		
Bingo events	$ 10,267	
Casino events	6,054	
	16,321	
Less: Certain direct administrative costs incurred by The Manitoba Intercultural Council	7,902	8,419
		$ 607,345

The estimated distribution out of the Gaming Fund for the year ended March 31, 1985 is subject to final determination by The Manitoba Lotteries Foundation.

THE MANITOBA LOTTERIES FOUNDATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to C and Schedules 1 to 7, of The Manitoba Lotteries Foundation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied, after giving retroactive effect to the changes in accounting for casinos and employee pension benefits as explained in note 3 to the financial statements, on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

December 2, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA LOTTERIES FOUNDATION
Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Assets		
Current Assets:		
Cash on hand and in bank	$ 1,527,809	$5,629,715
Funds held in trust by Minister of Finance	-	225,000
Term deposits with Minister of Finance	12,460,633	-
Accrued interest receivable	150,216	96,465
Accounts receivable:		
Western Canada Lottery Foundation	2,549,748	2,172,406
Trade	80,939	45,515
Miscellaneous	222,506	12,828
Inventories - at cost:		
Lottery tickets	287,865	171,890
Breakopen tickets	178,425	33,995
Bingo paper	200,131	-
Canteen supplies	22,226	-
	17,680,498	8,387,814
Deposit on building	-	25,000
Net fixed assets (Note 6)	1,738,262	134,228
Total assets	$19,418,760	$8,547,042

Exhibit A

THE MANITOBA LOTTERIES FOUNDATION
Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Liabilities and Fund Account Balances		
Current liabilities:		
Accounts payable and accrued liabilities:		
Government of the Province of Manitoba	$ 312,556	$ 201,797
Western Canada Lottery Foundation	209,771	-
Western Lottery-Manitoba Distributor Inc.	-	202,568
Trade	643,875	241,535
Casino-In-Process	623,295	28,062
Fund account balances - payable to organizations or the Government of the Province of Manitoba, Exhibit B, Note 2(h)		
Casino	(39,713)	464,500
Bingo Halls	544,244	-
Gaming Fund	8,528,074	1,926,343
	10,822,102	3,064,805
Deferred employee benefit	217,477	116,187
Fund account balances - Exhibit B, Note 2(h)		
General	3,215,809	2,000,000
Special	1,924,591	2,909,677
Equalization Fund	3,238,781	456,373
Total liabilities and fund account balances	$19,418,760	$8,547,042

MANITOBA LOTTERIES FOUNDATION
Statement of Changes in Fund Account Balances
for the year ended March 31, 1985
(with 1984 figures for comparison)

	Fund Account Balances - payable to organizations or the Government of the Province of Manitoba, Note 2(h)			Fund Account Balances, Note 2(h)			Totals	
	Casino	Bingo Halls	Gaming Fund	General	Special	Equalization Fund	1985	1984
Balance, beginning of year	$ 464,500	$ -	$ 1,926,343	$ 2,000,000	$ 2,909,677	$ 456,373	$ 7,756,893	$ 1,911,988
Add:								
Revenue over Expenditure, Exhibit C	2,365,118	2,833,402	30,303,188	-	-	-	35,501,708	10,579,905
Transfers Between Fund Accounts	-	-	(3,071,475)	1,215,809	(985,086)	2,840,752	-	-
	$ 2,829,618	$ 2,833,402	$29,158,056	$ 3,215,809	$ 1,924,591	$3,297,125	$43,258,601	$12,491,893
Deduct:								
Funds transferred to the Government of the Province of Manitoba, Schedule 6	-	-	10,008,765	-	-	-	10,008,765	4,735,000
Grants to organizations, Schedule 7	2,869,331	2,289,158	10,621,217	-	-	58,344	15,838,050	-
	2,869,331	2,289,158	20,629,982	-	-	58,344	25,846,815	4,735,000
Balance, end of year, Exhibit A	$ (39,713)	$ 544,244	$ 8,528,074	$ 3,215,809	$ 1,924,591	$3,238,781	$17,411,786	$ 7,756,893

Exhibit C

THE MANITOBA LOTTERIES FOUNDATION
Statement of Revenue and Expenditure
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue		
Net lottery sales revenue (Schedule 1)	$22,865,190	$10,446,193
Bingo paper and breakopen ticket sales (Schedule 2)	8,897,504	4,717
Bingo hall revenue over expenditure (Schedule 3)	2,833,402	-
Casino revenue over expenditure (Schedule 4)	2,365,118	464,500
Interest income	1,212,386	208,099
License fees	781,568	743,929
Other income	34,741	11,190
	38,989,909	11,878,628
Administrative expenses (Schedule 5)	3,488,201	1,298,723
Revenue over expenditure, Exhibit B	$35,501,708	$10,579,905

Schedule J.

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Net Lottery Sales Revenue
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Lottery Sales at Retail [Note 2(b)]:		
Super Loto	$ 6,584,170	$ 7,866,420
Provincial	5,186,490	6,221,715
Western Express	6,510,715	11,190,205
Instant	14,750,247	6,209,990
Lotto 6/49	27,970,205	13,987,855
Lotto West	3,933,014	-
Anniversary	887,900	-
	65,822,741	45,476,185
Interest revenue - Western Canada Lotteries Foundation	786,259	574,155
	66,609,000	46,050,340
Cost of lottery sales - Western Canada Lotteries Foundation	42,339,576	29,578,529
	24,269,424	16,471,811
Distribution by agreements:		
Western Lottery-Manitoba Distributor Inc.	-	4,755,820
Payment to Government of Canada (Note 8)	1,404,234	1,269,798
Net lottery sales revenue, Exhibit C	$22,865,190	$10,446,193

Schedule 2

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Bingo Paper and Breakopen Ticket Sales
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Bingo Paper (Note 4)		
Sales		
- licensees	$ 467,580	$ -
- bingo halls, Schedule 3	296,800	-
	764,380	-
Cost of bingo paper sold	556,867	-
Net sales	$ 207,513	-
Breakopen tickets		
Sales (Note 5)		
- licensees	$ 9,682,435	$ 25,084
- bingo halls, Schedule 3	1,018,350	-
	$10,700,785	$ 25,084
Cost of breakopen tickets sold	2,010,794	20,367
Net sales	$ 8,689,991	$ 4,717
Bingo paper and breakopen ticket sales, Exhibit C	$ 8,897,504	$ 4,717

Schedule 3

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Bingo Hall Revenue and Expenditure
for the 10 months ended March 31, 1985

Revenue	
Bingo Paper:	
Sales (retail)	$7,057,899
Less:	
Prizes	4,381,292
Cost of paper sold, Schedule 2	296,800
	2,379,807
Breakopen Tickets:	
Sales (retail)	7,550,925
Less:	
Prizes	4,918,509
Cost of tickets sold, Schedule 2	1,018,350
	1,614,066
Gross profit on canteen sales	270,362
	4,264,235
Expenditure	
Advertising	183,271
Bingo hall rental	231,483
Bingo hall salaries and benefits	321,109
Canteen expenses	2,087
Canteen salaries and benefits	132,916
Depreciation and amortization	247,315
Maintenance	38,245
Other	18,137
Security	30,158
Shortage allocated to organizations	150,595
Supplies	19,520
Utilities	55,997
	1,430,833
Revenue over expenditure, Exhibit C	$2,833,402

Schedule 4

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Casino Revenue and Expenditure
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984 (3 months)
Revenue		
Casino proceeds	$3,603,217	$698,332
Interest	37,453	3,835
	3,640,670	702,167
Expenditure		
Advertising	36,378	28,812
Depreciation casino equipment	20,952	-
Other	34,317	4,535
Rentals	128,587	34,856
Salaries and benefits		
- permanent	104,547	13,001
- casual	834,898	147,522
Security	40,478	5,606
Supplies	75,395	3,335
	1,275,552	237,667
Revenue over expenditure, Exhibit C	$2,365,118	$464,500

Schedule 5

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Administrative Expenses
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Advertising and promotion (Note 4)	$ 317,236	$ 91,927
Board members' fees and expenses	29,189	22,133
Cartage	113,468	7,699
Commissions and bonuses	105,175	9,242
Depreciation and amortization	50,646	41,516
Equipment rentals, repairs and maintenance	85,734	26,953
Insurance, security and property taxes	27,595	13,196
Office and storage space rentals	196,591	71,133
Provision for pension benefits	101,290	116,187
Postage, telephone and telex	71,255	29,934
Professional fees	125,612	129,821
Salaries and benefits	1,829,989	607,594
Sundry	103,758	5,851
Supplies and printing	115,775	49,326
Travel	214,888	76,211
Total administrative expenses, Exhibit C	$3,488,201	$1,298,723

Schedule 6

THE MANITOBA LOTTERIES FOUNDATION
Schedule of Transfers
to the Government of the Province of Manitoba
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Department of Culture, Heritage and Recreation		
Funds transferred from:		
Gaming Fund Account	$7,230,790	$ 132,742
General Fund Account	-	3,349,341
	7,230,790	3,482,083
Department of Health		
Funds transferred from:		
Gaming Fund Account	2,777,975	48,270
General Fund Account	-	1,204,647
	2,777,975	1,252,917
Total transfers, Exhibit B	$10,008,765	$4,735,000

Schedule 7

THE MANITOBA LOTTERIES FOUNDATION

Grants to Organizations (Note 9) for the year ended March 31, 1985

	Casino	Bingo Hall	Gaming Fund	Equalization Fund	Total
Manitoba Sports Federation Inc. and member organizations	$ 156,537	$1,228,835	$ 3,758,699	-	$5,144,071
Manitoba Arts Council and member organizations	113,099	67,801	2,681,645	-	2,862,545
Manitoba Community Education Association Inc. and member organizations	749,722	136,157	-	-	885,879
Manitoba Community Services Council and member organizations	265,656	528,482	1,648,552	-	2,442,690
Manitoba Heritage Federation, Note 11	469,729	-	-	-	469,729
Manitoba Intercultural Council and member organizations	110,301	327,883	-	-	438,184
United Way of Winnipeg	-	-	1,230,919	-	1,230,919
Manitoba Health Research Council	-	-	650,701	-	650,701
St. Boniface General Hospital Research Foundation	-	-	650,701	-	650,701
Festival du Voyageur	514,724	-	-	-	514,724
Red River Exhibition Association	193,218	-	-	-	193,218
Community Folk Art Council of Winnipeg	87,393	-	-	-	87,393
Winnipeg Blue Bombers Football Club	147,654	-	-	-	147,654
Royal Canadian Legion, Manitoba Northwest Command	-	-	-	58,344	58,344
Rural Casinos (Note 10)					
Ste. Anne	16,601	-	-	-	16,601
The Pas	18,544	-	-	-	18,544
Selkirk	26,153	-	-	-	26,153
Total, Exhibit B	$2,869,331	$2,289,158	$10,621,217	$58,344	$15,838,050

THE MANITOBA LOTTERIES FOUNDATION
Notes to the Financial Statements
for the year ended March 31, 1985

1. Establishment of the Foundation and Nature of Operations

Order-in-Council 282/83 dated March 16, 1983 proclaimed the Manitoba Lotteries Foundation Act.

The Foundation is the Agent of the Government of Manitoba in the Western Canada Lottery Foundation (W.C.L.F.). W.C.L.F. is responsible for providing the lottery tickets, determining the winning tickets, paying out the prizes, as well as other administrative responsibilities as determined by the Provinces.

The Manitoba Lotteries Foundation is responsible for the overall conduct and management of all lottery schemes in Manitoba, except for raffles with prizes under three thousand dollars. The Foundation may issue licences to organizations to hold lottery schemes, in which case, the Foundation carries out a supervisory and compliance control.

The Manitoba Lotteries Foundation conducts and manages bingo and breakopen ticket lotteries at the three bingo halls. The Foundation also conducts and manages all casinos in Winnipeg and effective January 1985 all rural casinos in Manitoba.

2. Significant Accounting Policies

(a) Revenue and expenditure recognition

Revenue and expenditure is recorded on an accrual basis except for the following:

(i) Revenue on lottery ticket sales, Schedule 1, Note 2(b), is recognized on sales for which draws are completed in the fiscal year.

(ii) Casino revenue and expenditure, Schedule 4, Note 2(f), is recognized on casinos which are completed in the fiscal year.

(iii) Licensing revenue, Note 2(c), is recognized on a cash receipts basis.

(b) Government Lotteries

Lottery revenue is received from W.C.L.F. and represents the revenue the Foundation receives from government lottery sales in Manitoba less Manitoba's share of W.C.L.F.'s costs associated with these sales.

(c) Licence Fees

Licence fees are assessed to recover certain of the Foundation's operating costs pertaining to the regulation of lottery schemes in the Province.

(d) Fixed Assets and Depreciation

Fixed assets are recorded at cost.

Furniture and other equipment are depreciated on a straight-line basis over 5 years.

Building is depreciated on a straight line basis over 20 years (see Note 7).

Leasehold improvements are amortized over the term of the lease.

Automotive equipment is depreciated on a declining balance method at 30% per annum.

Casino equipment and chips is depreciated on a declining balance method at 20% per annum (4 months taken in 84-85).

(e) Pension Costs

The officers and employees of the Foundation are members of the Civil Service of the Government of the Province of Manitoba, and they contribute to and are pensionable under the Civil Service Superannuation Fund.

It is the policy of the Foundation to provide for the employer's portion of pension benefits earned by employees on an indexed basis. An actuarial report as at December 31, 1983 calculated the value of these liabilities at $100,900. The actuary's formula projects this figure to $217,477 as at March 31, 1985.

(f) Casino

The casino statement (Schedule 4) reflects the transactions pertaining to casinos operated and managed by the Foundation.

The casinos are charged with all direct expenses of operating the casinos except for the Provincial Casino Manager's salary which is considered indirect. All indirect expenses are recorded as administrative expenses because they affect the total operations of the Foundation.

During the year the Foundation deducted from the proceeds of each casino an amount intended to recover direct expenses. The casino fund account is in a deficit position because the direct expenses exceeded the amounts charged to the organizations.

(g) Bingo Halls

The bingo hall statement (Schedule 3) reflects the transactions pertaining to bingo hall events operated and managed by the Foundation. The bingo hall operations are charged for all direct expenses of operating the bingo halls. Other indirect expenses are recorded as administrative expenses because they affect the total operations of the Foundation.

(h) Fund Accounts

The Foundation maintains specific fund accounts in order to recognize restrictions placed on the use of resources. The funds are included in the net assets of the Foundation.

The proceeds realized by the Foundation from time to time from the conduct and management of lottery schemes, less the costs of conducting and managing the lottery schemes and administering the Manitoba Lotteries Foundation Act, are held in trust to be used and applied as the Lieutenant Governor in Council directs or in accordance with general guidelines prescribed by the Lieutenant Governor in Council.

(i) Gaming Fund Account

The Gaming Fund Account is credited with the net proceeds from operations except for casino and bingo hall operations.

The available proceeds of this Fund Account are payable and/or transferable to charitable community organizations through their designated umbrella groups, to designated departments of the Government of the Province of Manitoba and to the Equalization Fund Account based on a sharing formula approved by Order-in-Council.

(ii) Casino and Bingo Hall Fund Accounts

These fund accounts are credited with the net proceeds from casinos and bingos operated by the Foundation.

The proceeds are payable to charitable community organizations that were involved with the casino and/or bingo events.

(iii) General Fund Account

The General Fund Account reflects $2,000,000 in retained income for working capital and investments in fixed assets. During the year, a net interfund transfer of $1,215,809 from the Special Fund Account was recorded as required by Cabinet directive. Transfers will be made back to the Special Fund Account over the next five years to carry out the balance of the Cabinet directive.

(iv) Special Fund Account

The Special Fund Account is set up for special projects and will be distributed as authorized by Cabinet.

Opening balance		$2,909,677
Capital Projects	$(1,471,125)	
Transfers from General Fund Account	255,316	
Net transfer to General Fund Account	(1,215,809)	
Interest transferred from Gaming Fund Account	230,723	(985,086)
Closing balance, Exhibit B		$1,924,591

The balance of capital projects will be transferred over the next five years from the General Fund Account in accordance with Cabinet directive.

(v) **Equalization Fund Account**

This Fund Account receives a 10% allocation of the net proceeds credited to the Gaming Fund Account after adjustments for medical research proceeds and interest allocated to the Special Fund Account. This is based on a sharing formula approved by Order-In-Council. The purpose of this Fund Account is to provide for adjustments which may be necessary, based on historical relationships between sharing groups in the Gaming Fund Account and any other uses at the sole discretion of the Government of the Province of Manitoba.

During the year payments totalling $58,344 were made to Royal Canadian Legion Manitoba Northwest Command in partial fulfillment of the agreement made between the Foundation and member agencies of Total Community Involvement.

3. Changes in Accounting Policies

(a) The accounting policy regarding casino transactions, Note 2(a)(ii), is changed from the prior year whereby the casino statement, Schedule 4, reflected transactions for the entire year rather than just completed casinos. The change in the accounting policy has resulted in the establishment of the "casino-in- process" liability with corresponding effects on the casino revenue over expenditure, Schedule 4 and the Casino Fund Account balance. The change has been applied retroactively and prior year's figures have been restated.

(b) The accounting policy regarding pension costs, Note 2(e), is changed from the prior year. In the previous year no provision was made for pension benefits earned. The Foundation is now providing for the pension benefits earned based on an actuary's formula. The change has been applied retroactively and prior year's figures have been restated. The effect of the change is to increase the administrative expenses and reduce the revenue over expenditure and Gaming Fund Account balance by the amount of the provisions.

4. Bingo Paper

Commencing June 1984, the Manitoba Lotteries Foundation became the sole supplier of bingo paper in the Province of Manitoba. As an incentive for organizations to change from bingo cards to paper $239,548 in free paper was given out during the year and charged to advertising and promotion on Schedule 5.

5. Breakopen Tickets

Effective June 1, 1984, the Manitoba Lotteries Foundation became the only authorized supplier of breakopen tickets in the Province of Manitoba. The Foundation was also authorized to collect 11% of the retail value of breakopen tickets as a contribution to the Gaming Fund Account.

6. Fixed Assets

	Cost	Accumulated Depreciation and Amortization	1985 Net Book Value	1984 Net Book Value
Land	$ 102,164	$ -	$ 102,164	$ -
Furniture and equipment	305,933	93,322	212,611	102,932
Building	821,684	-	821,684	-
Leasehold improvements	528,617	247,244	281,373	23,157
Casino equipment and chips	314,279	20,952	293,327	-
Other equipment	39,458	12,355	27,103	8,139
	$2,112,135	$373,873	$1,738,262	$134,228

7. Building

The Manitoba Lotteries Foundation purchased a building at 830 Empress Street prior to the year end. The building required renovations to suit the needs of the Foundation and was not ready for occupancy until May, 1985. Therefore, depreciation was not taken in the fiscal year ended March 31, 1985.

8. Payment to Government of Canada

Effective January 1, 1980, the Government of Canada terminated its involvement in lotteries. In return, the ten Provinces are to contribute an annual sum of $24,000,000, adjusted for inflation, to the Federal Government. The Province of Manitoba's share for the 1985 fiscal year is $1,404,234. (1984 - $1,269,798).

Subsequent to the year end an agreement was signed between the Provinces of Canada and the Federal Government whereby the Provinces have agreed to pay $100,000,000 over three years in return for the Federal Government amending the criminal code removing the Federal Government as a legal participant in lottery and gaming activities. The estimated financial impact on Manitoba and the Manitoba Lotteries Foundation is $4,300,000 over the three year period.

9. Grants to Organizations

Grants to organizations reflected on Schedule 7 were made to the umbrella organizations and/or member organizations. Agreements and/or letters of understanding have been made with the umbrella organizations for Manitoba Lotteries Foundation to make certain payments from the funds directly to the member organizations.

10. Rural Casinos

Proceeds of the rural casinos were paid to the following organizations:

Ste. Anne casino:		
Ste. Anne Aces Hockey Club		$16,601
The Pas casino:		
Northern Manitoba Trappers Festival		$18,544
Selkirk casino:		
Kinsmen Club of Selkirk	$6,538	
Kiwanis Club of Selkirk	6,538	
Lions Club of Selkirk	6,538	
Selkirk Community Arts Center	6,539	$26,153

11. Special Casino Levy

The grants paid to the Manitoba Heritage Federation result from a special levy assessed on four casinos. Last year this special levy was disclosed as a separate liability. This liability has been reclassified into the casino fund account for the current and future years.

12. Commitments and Contingent Liability

(a) The following contractual liabilities exist as at March 31, 1985:

Operating lease commitments for facilities, halls and equipment amount to $412,625.

The minimum rental payments on these leases for subsequent fiscal years are:

March 31, 1986	301,630
March 31, 1987	109,904
March 31, 1988	1,091
	$412,625

Contractual commitments relating to the construction and furnishing of the building at 830 Empress Street amounted to approximately $561,000.

(b) The following contingent liability exists as at March 31, 1985:

An action, naming the Foundation, the Government of the Province of Manitoba and the Minister Responsible for the Foundation, claims compensation for damages in an unspecified amount, in respect to losses arising from the Government's decision to operate, manage and control certain specified bingo halls in the Province of Manitoba.

A second suit of identical nature, as the above suit, has been brought against the Foundation and the Government of Manitoba.

No provision has been made in the accounts of the Foundation in respect to either claim as at March 31, 1985.

13. Comparative Figures

The 1984 figures have been reclassified to conform to the 1985 financial statement presentation.

Manitoba

Office of the Provincial Auditor

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B and C, of The Manitoba Mental Health Research Foundation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

May 3, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Cash in bank	$ 29,874	$ 131,472
Term deposit	75,000	-
	$ 104,874	$ 131,472
LIABILITIES		
Unexpended funds:		
Specific, Exhibit B	$ 57,428	$ 90,792
General, Exhibit C	47,446	40,680
	$ 104,874	$ 131,472

Exhibit B

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Statement of Cash Receipts and Disbursements - Specific Funds
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Receipts:		
Transfer from general funds, Exhibit C	$ 17,607	$ 53,951
Disbursements:		
Research projects:		
University of Manitoba on behalf of grantees	36,752	38,407
University of Winnipeg on behalf of grantees	11,577	15,819
Direct to grantee - in trust	2,642	2,552
Total Disbursements	50,971	56,778
Excess of disbursements over receipts	33,364	2,827
Unexpended funds, beginning of year	90,792	93,619
Unexpended funds, end of year, Exhibit A	$ 57,428	$ 90,792

Exhibit C

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Statement of Cash Receipts and Disbursements - General Funds
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Receipts:		
Grant from the Province of Manitoba	$ 15,000	$ -
Share in proceeds of casino (net)	-	52,316
Donations received from the general public	1,130	810
Bank interest	9,632	8,711
Total Receipts	25,762	61,837
Disbursements:		
Administrative expenses	1,389	170
Transfer to specific funds, Exhibit B	17,607	53,951
Total Disbursements	18,996	54,121
Excess of receipts over disbursements	6,766	7,716
Unexpended funds, beginning of year	40,680	32,964
Unexpended funds, end of year, Exhibit A	$ 47,446	$ 40,680

THE MANITOBA MENTAL HEALTH RESEARCH FOUNDATION

Notes to the Financial Statements
March 31, 1985

1. Nature of the Foundation

The Foundation is incorporated under The Manitoba Mental Health Research Foundation Act. Its aims and objectives are to support and to promote the development of mental health research in Manitoba. The Foundation is a registered charity within the meaning of the Income Tax Act.

2. Accounting Policies

a) Accounting basis

The Foundation's financial statements have been prepared using the cash basis of accounting.

b) Administrative expenses

The members of the board of governors, and the treasurer, serve without remuneration.

c) Transfers from general to specific funds

Specific funds pertain to projects which the board has approved to be conducted by the grantees. The projects are either in progress or completed. Upon board approval of a project, a transfer is made from general to specific funds in the amount of the approved level of the project funding.

Manitoba

THE MANITOBA MILK PRICES REVIEW COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Milk Prices Review Commission for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

October 1, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Current Assets:		
Cash	$ 5,820	$ 6,370
Accountable advances	-	1,000
Prepaid expenses	-	1,214
	$ 5,820	$ 8,584
LIABILITIES AND SURPLUS		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 2,304	$ 2,705
Surplus, Exhibit B	3,516	5,879
	$ 5,820	$ 8,584

Exhibit B

THE MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Income and Expenditure and Surplus for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
Income:		
Grant from the Province of Manitoba	$ 45,174	$ 45,349
Interest income	257	371
Miscellaneous income	292	-
	45,723	45,720
Expenditure:		
Annual report	$ 231	$ 341
Commission - salaries and benefits	10,064	13,114
- travel and meetings	6,904	4,274
Office and postage	1,886	719
Professional fees	5,000	4,214
Salaries and benefits (Note 3)	21,467	23,293
Sundry	748	1,080
Telephone	1,786	1,589
	48,086	48,624
Expenditure over income	2,363	2,904
Surplus, beginning of the year	5,879	8,783
Surplus, end of the year, Exhibit A	$ 3,516	$ 5,879

THE MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements

1. Nature of the Commission

The Milk Prices Review Act was enacted effective September 29, 1980. This Act established The Manitoba Milk Prices Review Commission to monitor prices of fluid milk, to set the price at which milk may be sold by a producer for use as fluid milk and, if necessary, to set maximum and/or minimum prices at which fluid milk may be sold to consumers.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting.

b) Office equipment purchases are charged to operations in the year of acquisition.

3. Services Provided by the Province at no Charge

The Province of Manitoba provides the services of an Executive Secretary, office accommodations and other miscellaneous administrative services at no charge to the Commission.

4. The Manitoba Fluid Milk Commission

The Manitoba Fluid Milk Commission was established effective March 1, 1984 by regulation under the Natural Products Marketing Act. The Manitoba Fluid Milk Commission may set maximum and/or minimum or fixed prices at which fluid milk may be sold by a distributor or processor. The members of The Manitoba Fluid Milk Commission are also members of The Manitoba Milk Prices Review Commission. Administrative services for The Manitoba Fluid Milk Commission are provided by staff of The Manitoba Milk Prices Review Commission and the Province without charge.

MANITOBA
PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

MANITOBA MINERAL RESOURCES LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and D and Schedule 1, of Manitoba Mineral Resources Ltd. for the year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of Manitoba Mineral Resources Ltd. as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 3 to the financial statements applied on a basis consistent with that of the preceding period.

Fred H. Jackson

F. H. Jackson, C.A.,
Assistant Provincial Auditor.

February 28, 1985,
Winnipeg, Manitoba.

Exhibit A

MANITOBA MINERAL RESOURCES LTD.

Balance Sheet
as at December 31, 1984
(with comparative figures at December 31, 1983)

ASSETS

	1984	1983
Current assets:		
Cash - in bank	$ 33,927	$ 370,533
- in trust with the Minister of Finance	3,110,000	905,000
Settlements and accounts receivable (Notes 3(b) & 7)	1,060,993	1,530,969
Accrued interest receivable	44,567	12,669
Prepaid expenses	3,964	352,247
Total current assets	4,253,451	3,171,418
Fixed assets (Notes 3(c) & (d)):		
Field equipment	164,625	108,054
Office equipment	40,988	30,047
Office renovations	5,975	5,975
Vehicles	16,135	16,135
Exploration and development - Trout Lake mine	1,114,897	1,103,064
	1,342,620	1,263,275
Less: accumulated depreciation	145,492	139,301
accumulated amortization - Trout Lake mine	362,582	263,845
	508,074	403,146
Fixed assets, net	834,546	860,129
	$ 5,087,997	$ 4,031,547

The accompanying notes are an integral part of the financial statements.

Exhibit A

LIABILITIES

	1984	1983
Current liabilities:		
Accounts payable	$ 292,856	$ 312,089
Total current liabilities	292,856	312,089

SHAREHOLDER'S EQUITY

Capital stock (Note 1):		
Authorized - unlimited number of shares without par value for unlimited consideration		
Issued and fully paid - 5 shares at $1.00 each	5	5
- 680,000 shares at $10.00 each	6,800,000	4,611,000
	6,800,005	4,611,005
Capitalized exploration expenditures - Trout Lake mine (Note 3(d))	335,498	335,498
Conditional grants (Note 4)	8,239,348	8,239,348
Exploration expenditures, net, Exhibit B	(11,637,421)	(9,199,631)
Operating surplus (deficit) - Trout Lake mine, Exhibit C	1,057,711	(266,762)
Shareholder's equity, net	4,795,141	3,719,458
	$ 5,087,997	$ 4,031,547

Exhibit B

MANITOBA MINERAL RESOURCES LTD.

Statement of Exploration Expenditures
For the year ended December 31, 1984
(with comparative figures for the nine months ended December 31, 1983)

	1984	1983
Exploration expenditures:		
Wholly owned ventures	$ 1,031,622	$ 539,672
Joint ventures operated by Manitoba Mineral Resources Ltd.	653,827	213,768
Deduct: recoveries from joint venture partners	216,463	95,243
	437,364	118,525
Joint ventures operated by partners	773,324	605,395
Total joint venture exploration expenditures	1,210,688	723,920
	2,242,310	1,263,592
Ruttan Mine evaluation	39,271	28,965
Payments under Mandatory Participation Agreements administered under an agreement with the Province of Manitoba	-	211,409
Recoveries under Mandatory Participation Agreements: Province of Manitoba (Note 6)	-	211,409
	-	-
General and administration expenses, Schedule 1	219,439	121,962
	2,501,020	1,414,519
Income:		
Oil production	3,247	1,452
Management fees	23,538	10,155
Option payments and sales of interests	33,765	-
Sundry	2,680	-
	63,230	11,607
Exploration expenditures, net, (Note 3(d))	2,437,790	1,402,912
Balance, beginning of period	9,199,631	7,796,719
Total exploration expenditures, net, from inception, Exhibit A	$ 11,637,421	$ 9,199,631

The accompanying notes are an integral part of the financial statements.

Exhibit C

MANITOBA MINERAL RESOURCES LTD.

Trout Lake Mine
Statement of Operations and Surplus
For the year ended December 31, 1984
(with comparative figures for the nine months ended December 31, 1983)

	December 31 1984	December 31 1983
Revenue:		
Sales of concentrates (Note 3(b))	$ 6,302,249	$ 4,113,769
Expenses:		
Mining	3,892,920	3,182,154
Milling	1,028,819	702,766
Monitoring	20,136	28,517
	4,941,875	3,913,437
Operating income before the following:	1,360,374	200,332
Other expenses:		
Amortization of exploration and development expenditures	98,737	161,044
Administration, Schedule 1	45,940	42,197
	144,677	203,241
Less interest earned	108,776	12,669
	35,901	190,572
Net income for the period	1,324,473	9,760
Deficit, beginning of period	(266,762)	(276,522)
Surplus, (deficit), end of period, Exhibit A	$ 1,057,711	$ (266,762)

The accompanying notes are an integral part of the financial statements.

Exhibit D

MANITOBA MINERAL RESOURCES LTD.

Statement of Changes in Financial Position
For the year ended December 31, 1984
(with comparative figures for the nine months ended December 31, 1983)

	December 31 1984	December 31 1983
Source of funds:		
Shares issued and paid	$ 2,189,000	$ 4,611,000
Conditional grants from the Province of Manitoba	-	447,348
Trout Lake mine operations, Exhibit C	1,324,472	9,760
Add non-cash charge, amortization	98,737	161,044
	3,612,209	5,229,152
Application of funds:		
Exploration expenditures, net, Exhibit B	2,437,790	1,402,912
Less non-cash charge, depreciation	9,728	4,701
	2,428,062	1,398,211
Discharge of Province of Manitoba advances	-	2,800,000
Purchase of fixed assets, net	71,048	22,122
Mine development expenditures	11,833	3,084
	2,510,943	4,223,417
Increase in working capital	1,101,266	1,005,735
Working capital, beginning of period	2,859,329	1,853,594
Working capital, end of year	$ 3,960,595	$ 2,859,329

The accompanying notes are an integral part of the financial statements.

MANITOBA MINERAL RESOURCES LTD.

Schedule of General and Administration Expenses
For the year ended December 31, 1984
(with comparative figures for the nine months ended December 31, 1983)

	December 31 1984	December 31 1983
Salaries, wages and employee benefits (Note 11)	$ 167,589	$ 134,375
Office rent	46,498	14,625
Equipment rental and maintenance	8,043	10,969
Accounting and audit	23,771	19,528
Legal	10,188	6,722
Telephone	8,876	5,367
Printing, postage & supplies	16,036	11,550
Directors fees	2,800	1,800
Depreciation	9,728	4,700
Corporation capital tax	7,438	-
Other	13,809	19,382
	314,776	229,018
Less allocated:		
Trout Lake mine	45,940	42,197
Field equipment recovered	49,397	21,953
Mandatory participation agreements	-	42,906
	95,337	107,056
	$ 219,439	$ 121,962

MANITOBA MINERAL RESOURCES LTD.

Notes to Financial Statements
For the year ended December 31, 1984

1. Status of the Company

Manitoba Mineral Resources Ltd. is a crown corporation established under The Manitoba Natural Resources Development Act and incorporated under the Manitoba Corporations Act. The issued shares are held by the Province of Manitoba except for five shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba. On August 12, of 1983, Articles of the Corporation were amended which authorized an issue of an unlimited number of common shares for an unlimited maximum consideration. During the year, 218,900 shares were issued to the Province of Manitoba for a consideration of $10.00 per share as explained in note 4.

2. Nature of the Operations

The Company undertakes exploration for minerals in the Province of Manitoba through wholly owned ventures and joint ventures. These joint ventures are operated by either the Company or the partners.

The Company also maintains an interest in the development, mining and processing of ore from the Trout Lake mine and the sale of the concentrates. This activity is further explained in note 5.

3. Significant Accounting Policies

(a) Accounting basis

The accounts are reflected on the accrual basis of accounting.

(b) Settlements receivable

The Company entered into a contract with Hudson Bay Mining and Smelting Co. Limited for the sale of its concentrates. Under the terms of the contract, the concentrates are deemed to be sold at the time of delivery of ore to the mill. The settlements receivable on sales of ore concentrates are recorded at the estimated net realizable value.

(c) Fixed assets and depreciation

Fixed assets are recorded at cost. Depreciation is taken on a straight line basis.

(d) Exploration and development expenditures and amortization

Exploration costs are charged to expense as incurred. They are capitalized when a mine is brought into production. The development costs associated with bringing a property into an operating mine status are capitalized. The capitalized costs in respect to an operating mine are amortized by the unit-of-production method based on estimated recoverable reserves.

4. Province of Manitoba Funding

Authorized funds available from the Province of Manitoba, since inception, of $8,239,348 have been drawn down as conditional working capital grants as of December 31, 1983. These grants are non-interest bearing and conditional on the basis that they become repayable to the Province if, as and when exploration projects become profitable ventures.

During the year, the Province purchased shares of the Company as a method of funding the Company's activities, instead of making further conditional grants or advances. Under the authority of The Loans Act, 1983(2), the Minister of Finance can purchase $5,600,000 of share capital of the Company. As at December 31, 1984, $4,000,000 of this amount has been paid to the Company in exchange for its shares. Under the authority of The Loans Act 1984 (2), the Minister of Finance may purchase $7,062,000 of share capital of the Company. None of this has been paid to the Company at December 31, 1984.

5. Trout Lake Mine

The Company acquired the interest in the Trout Lake mine from the Province effective December 31, 1983 without charge. Up to that time, the Company had been the agent for the Province in the management of this interest. The comparative figures for 1983 in Exhibit C are provided for information purposes.

The Trout Lake mine is an unincorporated joint venture which is limited to the development and operation of the mine. The joint venture partners take the ore produced in proportion to their interests and are individually responsible for processing of the ore and sale of the concentrates.

The Company is participating in the joint venture with Hudson Bay Mining and Smelting Co. Limited and the Scandinavian Minerals Syndicate which is made up of Granges Exploration Ltd. and Outokumpu Oy. Ownership interests are: Company - 27%, H.B.M.S. Co. Limited - 44%, Scandinavian Minerals Syndicate - 29%.

These financial statements reflect the Company's expenditures for its 27% interest in the joint venture operations and the additional activities outside of the joint venture, including arrangements for the processing of the ore, sale of concentrates, monitoring and administration.

6. Mandatory Participation Agreements

Under an agency agreement entered into with the Province in 1978, the Company managed the Province's interests in the mandatory participation agreements. These interests were transferred without charge to the Company effective December 31, 1983 by agreement.

6. Mandatory Participation Agreements (continued)

Expenditures on these properties for the year ended December 31, 1984 are included in Exhibit B as joint ventures operated by Manitoba Mineral Resources Ltd. and joint ventures operated by partners.

7. Settlements and Accounts Receivable

	December 31 1984	December 31 1983
Settlements receivable on sales of Trout Lake mine concentrates (Note 3(b))	$ 1,000,188	$ 1,465,034
Accounts receivable	60,805	65,935
	$ 1,060,993	$ 1,530,969

8. Commitments

The Company has outstanding commitments totalling $456,256 ($488,740 - December 31, 1983).

9. Contingencies

The Company has contingent liabilities for guarantees of bank letters of credit totalling $125,000 ($165,000 - December 31, 1983).

10. Economic Dependence

The Company is economically dependent on the Province of Manitoba.

11. Comparative Figures

In 1983 the year end of the Company was changed to December 31st. As a consequence, the figures shown for December 31, 1983 are for a nine month period as compared with the twelve month period for 1984.

Salaries, wages and benefits pertaining to Exploration have been charged directly to Exploration for the year ended December 31, 1984. The total salaries, wages and benefits paid for the year was $565,989 (nine months to December 31, 1983 $333,361) of which $398,400 has been charged to Exploration (1983 - $198,986).

Comparative figures have been restated where necessary to conform to the presentation adopted in these statements for the year ended December 31, 1984.

THE MANITOBA OIL AND GAS CORPORATION

Statement of Operations
For the Year Ended December 31, 1984

Revenue		
Miscellaneous income	$	5,800
Expenses		
General and administrative		226,538
Depletion, depreciation and amortization		11,984
Total expenses	$	238,522
Loss from operations before unusual items	$	232,722
Write-down of oil and gas properties (note 3)		158,076
Organization costs		104,586
Net loss and deficit for the year	$	495,384

The accompanying notes are an integral part of this Statement.

Auditor's Report

To the Shareholders of
The Manitoba Oil and Gas Corporation:

We have examined the balance sheet of The Manitoba Oil and Gas Corporation as at December 31, 1984 and the statement of operations and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles consistently applied.

Deloitte Haskins & Sells

February 8, 1985

THE MANITOBA OIL AND GAS CORPORATION

Balance Sheet
December 31, 1984

Assets

Current Assets		
Cash	$	35,937
Funds held in trust (note 5)		3,950,000
Accounts receivable (note 6)		30,566
Deposits and prepaid expenses		7,526
	$	4,024,029
Property and equipment less accumulated depletion, depreciation and amortization (note 4)		622,090
	$	**4,646,119**

Liabilities

Accounts payable	$	141,503

Equity, Province of Manitoba

Share capital (note 5)		5,000,000
Deficit		495,384
	$	4,504,616
	$	**4,646,119**

Approved on Behalf of the Board

Director Silver

Director S. Hastings

The accompanying notes are an integral part of this Balance Sheet.

THE MANITOBA OIL AND GAS CORPORATION

Statement of Changes in Financial Position
For the Year Ended December 31, 1984

Funds Were Provided From:		
Issue of share capital	$	5,000,000
Funds Were Used For:		
Operations		
Loss from operations		495,384
Less: Depletion, depreciation and amortization		11,984
Write-down of oil and gas properties		158,076
	$	325,324
Acquisition of property and equipment		792,150
	$	1,117,474
Increase in Working Capital	$	3,882,526

1. Summary of Significant Accounting Policies

The accompanying financial statements have been prepared by management in accordance with generally accepted accounting principles. The Corporation's significant accounting policies are summarized below.

Joint Ventures

Substantially all of the Corporation's exploration activities are conducted jointly with others. These financial statements reflect only the Corporation's proportionate interest in such activities.

Full Cost Method of Accounting

The Corporation follows the full cost method of accounting for oil and gas operations wherein all costs related to the exploration for and development of oil and gas reserves are capitalized. Such costs include lease acquisition costs, geological and geophysical expenditures, lease rentals on undeveloped properties, costs of drilling both productive and non-productive wells and all technical and administrative overhead directly associated with exploration and development activities.

Proceeds from property and equipment sales are credited against accumulated costs except when the sale represents a significant disposal of property and equipment in which case a gain or loss is recorded on disposition.

Depletion, Depreciation and Amortization

Depletion of oil and gas properties and depreciation of production equipment and facilities, including investment in the pipeline, are calculated using the unit-of-production method based on estimated proven reserves of oil and gas.

Depreciation on other equipment is calculated on the declining balance basis at rates ranging from twenty to twenty-five percent. Leasehold improvements are amortized over the remaining term of the lease.

2. Status of the Corporation

The Manitoba Oil and Gas Corporation was established as a Crown Corporation under The Manitoba Oil and Gas Corporation Act, Bill 4, in 1983. Under the provisions of its Act, the Corporation conducts activities to promote exploration and development of oil and gas as a direct participant in the industry.

3. Write-down of Oil and Gas Properties

Under generally accepted accounting principles, the capitalized cost of oil and gas properties is limited to the present value of future net revenues from estimated production of reserves. During 1984, the first year of operations, the Company participated in a total of three drilling ventures which proved to be unsuccessful. As a result of the failure to find commercial reserves prior to year end, all related costs have been written off. Undeveloped properties are carried at the lower of cost and fair market value.

4. Property and Equipment

Petroleum and natural gas properties	$	348,456
Pipeline		388,584
Office equipment and leasehold improvements		55,110
	$	792,150
Less: Write-down of exploration costs (note 3)		158,076
Depreciation and amortization		11,984
	$	622,090

5. Share Capital

Under The Manitoba Oil and Gas Corporation Act, the Corporation is authorized to issued 200,000 shares for a maximum consideration of $20,000,000. During the year, the Corporation issued a share certificate to the Minister of Finance for 50,000 shares ($5,000,000). As at December 31, 1984, the Corporation has received $1,050,000 of equity financing in respect of these shares. The balance of $3,950,000 is held in trust by the Minister to be advanced as funds are required to finance operations. Undisbursed funds held in trust are non interest-bearing to the Corporation.

Authorized		
200,000 shares; maximum consideration	$	20,000,000
Issued		
50,000 shares	$	5,000,000

6. Related Party Transaction

At December 31, 1984, the Company has an amount receivable of $16,000 in respect of an interest-bearing relocation loan provided to an employee of the Company.

Auditors' Report

The Board of Directors,
The Manitoba Public Insurance Corporation.

We have examined the balance sheet of The Manitoba Public Insurance Corporation as at October 31, 1984, and the statements of operations, retained earnings (deficit) and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at October 31, 1984, and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Mac Gillivray & Co.

Chartered Accountants
Winnipeg, Manitoba
January 11, 1985

Statement of Operations - Automobile Insurance Division

For the Year Ended October 31, 1984

(Thousands of $)

	1984	1983
REVENUE		
Premiums Written	$195,371	$186,206
Premiums Earned	$189,956	$182,131
Investment Income	30,067	24,277
Total Earned Revenues	$220,023	$206,408
CLAIMS COSTS		
Claims Incurred	$158,930	$154,765
Claims Expense — Schedule 1	19,922	18,746
	$178,852	$173,511
EXPENSES — Schedule 1		
Administrative	$ 7,987	$ 8,860
Commissions	8,593	8,778
Premium Taxes	5,746	5,516
	$ 22,326	$ 23,154
Total Claims and Expenses	$201,178	$196,665
Net Profit for the Year — Statement 4	$ 18,845	$ 9,743

Statement of Operations - General Insurance Division

For the Year Ended October 31, 1984

(Thousands of $)

	1984	1983
REVENUE		
Premiums Written	$32,671	$23,056
Premiums Earned	$31,466	$22,547
Investment Income	3,548	2,733
Total Earned Revenues	$35,014	$25,280
CLAIMS COSTS		
Claims Incurred	$26,191	$14,730
Claims Expense — Schedule 1	1,275	932
	$27,466	$15,662
EXPENSES — Schedule 1		
Administrative	$ 4,882	$ 3,334
Commissions	6,519	5,631
Premium Taxes	962	659
	$12,363	$ 9,624
Total Claims and Expenses	$39,829	$25,286
Net Loss for the Year — Statement 4	$(4,815)	$ (6)

Balance Sheet As At October 31, 1984

Assets

(Thousands of $)

	1984	1983
Cash and investments maturing within one year (Note 4)	**$ 54,154**	$ 47,934
Accounts receivable (Note 5)	**20,334**	18,968
Prepaid expenses and inventories	**960**	871
Deferred premium acquisition costs	**7,990**	7,252
Investments — Schedule 2	**240,931**	193,791
Property and equipment (Note 6)	**8,187**	7,975
Organizational expenses (Note 7)	**4,031**	3,539
	$336,587	$280,330

On Behalf of the Board

Chairman

N. Sullivan

Vice-Chairperson

Liabilities and Retained Earnings (Deficit)

(Thousands of $)

	1984	1983
General accounts payable	$ 2,482	$ 2,398
Provision for accrued charges	13,017	10,687
	$ 15,499	$ 13,085
Automobile Insurance Division		
Accounts payable and accrued charges	$ 5,143	$ 5,088
Unearned premiums	69,760	67,319
Unpaid claims	147,096	121,870
Retained earnings — Statement 4	61,944	43,099
	$283,943	$237,376
General Insurance Division		
Accounts payable and accrued charges	$ 868	$ 694
Unearned premiums	11,290	7,113
Unpaid claims	25,490	17,750
(Deficit) retained earnings — Statement 4	(503)	4,312
	$ 37,145	$ 29,869
	$336,587	$280,330

Statement of Retained Earnings (Deficit)

For the Year Ended October 31, 1984

(Thousands of $)

	1984	1983
AUTOMOBILE INSURANCE DIVISION		
Unappropriated retained earnings at the beginning of the year	$ —	$ —
Net profit for the year — Statement 1	18,845	9,743
Transfer to reserve for catastrophes	(10,000)	(6,500)
Transfer to reserve for contingencies	(1,000)	(1,450)
Transfer to reserve for rate stabilization	(7,845)	(1,793)
Unappropriated retained earnings at the end of the year	$ —	$ —
Appropriated retained earnings		
Reserve for catastrophes (Note 8)	$ 38,500	$ 28,500
Reserve for contingencies (Note 8)	6,000	5,000
Reserve for rate stabilization (Note 9)	17,444	9,599
	$ 61,944	$ 43,099
Total retained earnings — Statement 3	$ 61,944	$ 43,099
GENERAL INSURANCE DIVISION		
Unappropriated retained earnings at the beginning of the year	$ 312	$ 318
Net loss for the year — Statement 2	(4,815)	(6)
Transfer from reserve for catastrophes and contingencies	4,000	—
(Deficit) unappropriated retained earnings at the end of the year	$ (503)	$ 312
Appropriated retained earnings		
Reserve for catastrophes and contingencies (Note 8)	$ —	$ 4,000
Total (deficit) retained earnings — Statement 3	$ (503)	$ 4,312

Statement of Changes in Financial Position

For the Year Ended October 31, 1984

(Thousands of $)

	1984	1983
RESOURCES PROVIDED		
Net profit for the year — Statement 1 and 2	**$ 14,030**	$ 9,737
Adjustments to convert net profit to a cash basis:		
Increase in unearned premiums	**6,618**	4,585
Increase in unpaid claims	**32,966**	30,581
Depreciation and amortization	**840**	802
Increase in accounts receivable, prepaid expenses and inventories and deferred premium acquisition costs	**(2,193)**	(2,949)
Increase in accounts payable and accrued charges	**2,643**	3,127
Proceeds from disposal of property and equipment	**12**	40
	$ 54,916	$ 45,923
RESOURCES APPLIED		
Acquisition of property and equipment	**$ 779**	$ 419
Organizational expenses	**777**	821
Net change in resources available for investment	**$ 53,360**	$ 44,683
CHANGE IN RESOURCES		
Increase (decrease) in cash and short term investments	**$ 6,220**	$ (11,305)
Increase in long term investments	**47,140**	55,988
	$ 53,360	$ 44,683

The Manitoba Public Insurance Corporation   Schedule 1

Schedule of Expenses Incurred

For the Year Ended October 31, 1984

(Thousands of $)

	1984	1983
Amortization of organizational expenses	$ 285	$ 285
Bad debts	29	82
Commissions	15,112	14,409
Data processing	1,670	1,961
Depreciation and amortization	555	517
Employee travel and sustenance allowance	501	452
Grants in lieu of levies	473	464
Health and education tax	351	323
Premium taxes	6,708	6,175
Rent	1,278	1,308
Salaries and employee benefits	25,479	24,038
Other administrative expenses	4,512	2,882
Less net recovery from The Division of Driver & Vehicle Licencing (Note 10)	(1,067)	(440)
Total expenses incurred	$55,886	$52,456
Allocation:		
Automobile Insurance Division — Statement 1		
Claims expense	$19,922	$18,746
Administrative expense	7,987	8,860
Commissions	8,593	8,778
Premium Taxes	5,746	5,516
	$42,248	$41,900
General Insurance Division — Statement 2		
Claims expense	$ 1,275	$ 932
Administrative expense	4,882	3,334
Commissions	6,519	5,631
Premium Taxes	962	659
	$13,638	$10,556
Total	$55,886	$52,456

Schedule of Investments AS AT OCTOBER 31, 1984

Description of Securities	Par Value	Book Value
Federal:		
Government of Canada	$ 15,000,000	$ 14,832,000
Provincial:		
Province of Manitoba	$ 90,152,000	$ 89,716,000
Manitoba Hydro-Electric Board	24,502,000	22,842,000
Manitoba Telephone System	22,449,000	21,842,000
Ontario Hydro-Electric Commission	8,500,000	6,921,000
	$145,603,000	$141,321,000
Hospitals:		
Baldur Hospital District	$ 175,000	$ 175,000
Brandon General Hospital	1,876,000	1,861,000
Boissevain Hospital District	737,000	737,000
Carman Memorial Hospital District No. 20	230,000	230,000
Dauphin General Hospital	60,000	60,000
Deloraine Hospital District No. 14	552,000	552,000
The De Salaberry Hospital District No. 27A	179,000	179,000
Flin Flon General Hospital	600,000	600,000
Gimli Hospital District #39	431,000	431,000
Grace General Hospital	847,000	685,000
Grandview Hospital District No. 3B	4,000	4,000
Hamiota Hospital District #7A	84,000	84,000
Health Sciences Centre	1,682,000	1,602,000
Hunter Memorial Hospital District #33	1,126,000	1,126,000
Lakeshore General Hospital District #34A	40,000	40,000
Lynn Lake Hospital District #38	115,000	115,000
Manitoba Hospital Capital Financing Authority	3,210,000	3,210,000
Minnedosa Hospital District #8	52,000	52,000
Misericordia General Hospital	526,000	526,000
Morden Hospital District #21	583,000	583,000
Neepawa Hospital District #9	310,000	310,000
Pine Falls General Hospital	240,000	240,000
Portage Hospital District #18	495,000	495,000
Roblin Health Centre District	768,000	768,000
Russell Hospital District #8	400,000	400,000
St. Anthony's General Hospital — The Pas	600,000	600,000
St. Boniface General Hospital	40,000	33,000
Ste. Anne Hospital District No. 26A	1,854,000	1,854,000
Seven Oaks General Hospital	2,630,000	2,088,000
Steinbach Hospital District #27	91,000	75,000
Swan River Hospital District #1	406,000	406,000
Thompson General Hospital	1,429,000	1,402,000
Tri-Lake Hospital District #15	46,000	46,000

Schedule of Investments AS AT OCTOBER 31, 1984, CONTINUED

Description of Securities	Par Value	Book Value
Hospitals:		
Victoria General Hospital	1,335,000	1,320,000
Victoria South Norfolk-Treherne Hospital District	203,000	203,000
Winkler General Hospital	65,000	54,000
Winkler Hospital District No. 23	445,000	445,000
Winnipeg General Hospital	113,000	91,000
Winnipegosis General Hospital Inc.	170,000	170,000
Baldur Manor	311,000	311,000
Betel Home Foundation — Gimli	132,000	132,000
Betel Home Foundation — Selkirk	402,000	402,000
Bethania Mennonite Personal Care Home Inc.	70,000	70,000
Birtle Health Services District	469,000	469,000
Birtle Personal Care Home Inc.	31,000	31,000
B.M.W. Health Facilities Inc.	48,000	48,000
Dauphin Personal Care Home Inc.	368,000	368,000
Ebenezer Home For The Aged	522,000	522,000
Fairview Home Inc.	62,000	62,000
Flin Flon Personal Care Home Corp.	965,000	965,000
Foyer Notre Dame Inc.	13,000	13,000
Goodwin Lodge Inc.	100,000	100,000
Holy Family Nursing Home-Sister Servants of Mary Immaculate	776,000	776,000
Lakeview Senior Citizens Home	16,000	16,000
Lorne Memorial Medical Nursing Unit No. 190	164,000	164,000
Manitoba Baptist Home Society Inc.	52,000	52,000
Manoir De Ste. Claude	164,000	164,000
McCreary/Alonsa Health Centre	14,000	14,000
McCreary/Alonsa Personal Care Home Inc.	116,000	116,000
Middlechurch Home of Winnipeg	26,000	26,000
Mount Carmel Clinic	1,946,000	1,946,000
North Norfolk MacGregor Medical Nursing Unit District No. 18A	309,000	309,000
Portage la Prairie Lions Care Hostel Inc.	159,000	159,000
Red River Valley Lodge Inc. Emerson	40,000	40,000
Riverdale Health Services District	173,000	173,000
Riverdale Personal Care Home	154,000	154,000
Rock Lake Health District	955,000	955,000
Rock Lake Personal Care Home Inc.	235,000	235,000
Rosewood Lodge Inc.	61,000	61,000
Rossburn District Health Centre	675,000	675,000
St. Joseph's Residence	784,000	784,000
Shoal Lake/Strathclair Health Centre	134,000	134,000
Sister Servants of Mary Immaculate — St. Paul's Home	65,000	65,000

Schedule of Investments AS AT OCTOBER 31, 1984, CONTINUED

Description of Securities	Par Value	Book Value
Hospitals:		
Snow Lake Medical Nursing Unit District #40	684,000	684,000
Stonewall & District Health Centre	247,000	247,000
Swan River Valley Lodge	40,000	40,000
Tache Nursing Centre	897,000	897,000
The Pas Health Complex Inc.	957,000	957,000
Tiger Hills Manor Inc.	15,000	15,000
Wawanesa & District Health Centre	46,000	46,000
Wawanesa Personal Care Home	260,000	260,000
Winnipeg Presbytery Society For Senior Citizens Homes In Winnipeg	80,000	80,000
Winnipegosis-Mossy River Personal Care Home Inc.	364,000	364,000
	$ 38,850,000	$ 37,953,000
Schools:		
Antler River School Division No. 43	$ 114,000	$ 114,000
Assiniboine South School Division No. 3	99,000	99,000
Beautiful Plains School Division No. 31	58,000	58,000
Churchill School District No. 2264	49,000	49,000
Dauphin-Ochre School Area #1	1,697,000	1,697,000
Flin Flon School Division #46	618,000	618,000
Fort Garry School Division No. 5	133,000	133,000
Frontier School Division No. 48	158,000	158,000
Garden Valley School Division No. 26	2,249,000	2,249,000
Hanover School Division #15	195,000	195,000
Interlake School Division #21	390,000	390,000
Lakeshore School Division No. 23	341,000	341,000
Leaf Rapids School Division #2460	244,000	244,000
Lord Selkirk School Division No. 11	366,000	366,000
Morris-MacDonald School Division No. 19	292,000	292,000
Mystery Lake School Division No. 2355	1,556,000	1,556,000
Norwood School Division No. 8	69,000	69,000
Portage la Prairie School Division #24	790,000	789,000
Rhineland School Division #18	200,000	199,000
River East School Division #9	769,000	769,000
St. James-Assiniboia School Division #2	212,000	212,000
St. Vital School Division #6	1,867,000	1,867,000
Seine River School Division #14	1,684,000	1,684,000
Seven Oaks School Division #10	221,000	221,000
South Winnipeg Vocational Education Centre	990,000	990,000
Transcona School Division #39	109,000	109,000
Western School Division #47	118,000	118,000
Winnipeg School Division No. 1	752,000	752,000
	$ 16,340,000	$ 16,338,000

Schedule of Investments AS AT OCTOBER 31, 1984, CONTINUED

Description of Securities	Par Value	Book Value
Hospitals:		
Snow Lake Medical Nursing Unit District #40	684,000	684,000
Stonewall & District Health Centre	247,000	247,000
Swan River Valley Lodge	40,000	40,000
Tache Nursing Centre	897,000	897,000
The Pas Health Complex Inc.	957,000	957,000
Tiger Hills Manor Inc.	15,000	15,000
Wawanesa & District Health Centre	46,000	46,000
Wawanesa Personal Care Home	260,000	260,000
Winnipeg Presbytery Society For Senior Citizens Homes In Winnipeg	80,000	80,000
Winnipegosis-Mossy River Personal Care Home Inc.	364,000	364,000
	$ 38,850,000	$ 37,953,000
Schools:		
Antler River School Division No. 43	$ 114,000	$ 114,000
Assiniboine South School Division No. 3	99,000	99,000
Beautiful Plains School Division No. 31	58,000	58,000
Churchill School District No. 2264	49,000	49,000
Dauphin-Ochre School Area #1	1,697,000	1,697,000
Flin Flon School Division #46	618,000	618,000
Fort Garry School Division No. 5	133,000	133,000
Frontier School Division No. 48	158,000	158,000
Garden Valley School Division No. 26	2,249,000	2,249,000
Hanover School Division #15	195,000	195,000
Interlake School Division #21	390,000	390,000
Lakeshore School Division No. 23	341,000	341,000
Leaf Rapids School Division #2460	244,000	244,000
Lord Selkirk School Division No. 11	366,000	366,000
Morris-MacDonald School Division No. 19	292,000	292,000
Mystery Lake School Division No. 2355	1,556,000	1,556,000
Norwood School Division No. 8	69,000	69,000
Portage la Prairie School Division #24	790,000	789,000
Rhineland School Division #18	200,000	199,000
River East School Division #9	769,000	769,000
St. James-Assiniboia School Division #2	212,000	212,000
St. Vital School Division #6	1,867,000	1,867,000
Seine River School Division #14	1,684,000	1,684,000
Seven Oaks School Division #10	221,000	221,000
South Winnipeg Vocational Education Centre	990,000	990,000
Transcona School Division #39	109,000	109,000
Western School Division #47	118,000	118,000
Winnipeg School Division No. 1	752,000	752,000
	$ 16,340,000	$ 16,338,000

Schedule of Investments AS AT OCTOBER 31, 1984, CONTINUED

Description of Securities	Par Value	Book Value
Municipal:		
City of Brandon	$ 1,875,000	$ 1,750,000
City of Flin Flon	1,818,000	1,818,000
City of Portage la Prairie	4,019,000	3,982,000
City of St. Boniface	10,000	8,000
City of St. Vital	81,000	72,000
City of Transcona	281,000	253,000
City of Winnipeg	5,513,000	5,183,000
Metro Corp. of Greater Winnipeg	497,000	392,000
Town of Altona	560,000	560,000
Town of Birtle	74,000	73,000
Town of Boissevain	47,000	45,000
Town of Brandon	96,000	92,000
Town of Carman	512,000	512,000
Town of Dauphin	263,000	263,000
Town of Deloraine	388,000	388,000
Town of Emerson	321,000	321,000
Town of Gimli	33,000	33,000
Town of Gladstone	271,000	271,000
Town of Grandview	190,000	190,000
Town of Hartney	13,000	11,000
Town of Killarney	313,000	313,000
Town of Melita	365,000	365,000
Town of Minnedosa	270,000	258,000
Town of Morden	478,000	477,000
Town of Morris	263,000	263,000
Town of Neepawa	494,000	494,000
Town of Rapid City	109,000	109,000
Town of Rivers	60,000	53,000
Town of Roblin	231,000	228,000
Town of Russell	209,000	209,000
Town of Selkirk	580,000	575,000
Town of Snow Lake	96,000	96,000
Town of Steinbach	1,897,000	1,869,000
Town of Stonewall	275,000	275,000
Town of Swan River	626,000	626,000
Town of The Pas	22,000	21,000
Town of Tuxedo	118,000	107,000
Town of Virden	239,000	239,000
Town of Winkler	287,000	285,000
Town of Winnipeg Beach	64,000	64,000
Village of Arborg	83,000	83,000
Village of Benito	41,000	41,000
Village of Binscarth	76,000	76,000
Village of Gilbert Plains	13,000	12,000

Schedule of Investments AS AT OCTOBER 31, 1984, CONTINUED

Description of Securities	Par Value	Book Value
Municipal:		
Village of Glenboro	12,000	11,000
Village of Gretna	23,000	23,000
Village of Hamiota	27,000	27,000
Village of Lac du Bonnet	178,000	178,000
Village of MacGregor	92,000	92,000
Village of Manitou	133,000	133,000
Village of Pilot Mound	116,000	116,000
Village of Riverton	8,000	8,000
Village of Rossburn	52,000	52,000
Village of Shoal Lake	92,000	92,000
Village of Somerset	44,000	44,000
Village of Ste. Anne	8,000	8,000
Village of St. Pierre-Jolys	285,000	285,000
Village of Winnipegosis	81,000	81,000
Rural Municipality of Albert	9,000	9,000
Rural Municipality of Assiniboia	11,000	10,000
Rural Municipality of Brenda	53,000	53,000
Rural Municipality of Brokenhead	242,000	242,000
Rural Municipality of Cartier	11,000	11,000
Rural Municipality of Charleswood	81,000	74,000
Rural Municipality of Edward	153,000	153,000
Rural Municipality of Hanover	246,000	246,000
Rural Municipality of La Broquerie	25,000	25,000
Rural Municipality of MacDonald	384,000	384,000
Rural Municipality of Montcalm	105,000	105,000
Rural Municipality of Morris	589,000	589,000
Rural Municipality of Morton	15,000	15,000
Rural Municipality of North Norfolk	147,000	147,000
Rural Municipality of Ritchot	448,000	448,000
Rural Municipality of Rockwood	90,000	90,000
Rural Municipality of Roland	121,000	121,000
Rural Municipality of Ste. Rose	20,000	20,000
Rural Municipality of Siglunes	152,000	152,000
Rural Municipality of Springfield	29,000	29,000
Rural Municipality of Strathcona	15,000	15,000
Rural Municipality of Tache	26,000	26,000
Rural Municipality of Thompson	42,000	42,000
Rural Municipality of Whitewater	26,000	26,000
Local Government District of Consol	395,000	395,000
Local Government District of Leaf Rapids	2,555,000	2,555,000
	$ 31,212,000	$ 30,487,000
	$247,005,000	$240,931,000

Notes to the Financial Statements

OCTOBER 31, 1984

1. *Status of the Corporation.*

   The Manitoba Public Insurance Corporation was incorporated as a Crown Corporation under The Automobile Insurance Act in 1970. In 1974 The Automobile Insurance Act was revised and became The Manitoba Public Insurance Corporation Act (Chapter A180, of the continuing consolidation of the statutes of Manitoba).

   Under the provisions of its Act, the Corporation conducts a comprehensive automobile program and general insurance business. For financial accounting purposes the automobile and general insurance divisions are regarded as separate operations.

   A change to The Manitoba Public Insurance Corporation Act permitted, effective November 1, 1983, the general insurance division to include the automobile special risk extension business. For the fiscal year ended October 31, 1984, the special risk extension business generated a net profit of $1.6 million. The liabilities for the special risk extension business to October 31, 1983 remain the responsibility of the automobile insurance division.

2. *Basis of Reporting.*

   The financial statements of the Corporation are in such form as prescribed by Section 37(1) of The Manitoba Public Insurance Corporation Act and are presented in accordance with generally accepted accounting principles.

3. *Summary of Significant Accounting Policies.*

   This summary outlines those accounting policies followed by the Corporation which have a significant effect on the financial statements.

Notes to the Financial Statements

CONTINUED

Deferred Premium Acquisition Costs.

Commissions and premium taxes are charged to expense over the terms of the insurance contracts to which such costs relate.

Investments.

Bonds and debentures are carried at cost plus accumulated amortization of discounts and premiums. The applicable discounts and premiums are amortized over the life of the investment.

Depreciation and Amortization.

Depreciation and amortization is provided on a straight-line basis at rates which will amortize the original cost over the estimated useful life of each asset. The annual rates are:

Buildings	2.5%
Organizational expenses	5.0%
Equipment	10.0%
Data processing equipment	20.0%
Automotive equipment	20.0%

Leasehold improvements are amortized over the term of the lease plus the first renewal period.

Pension Plan.

The employees of the Corporation are subject to the Civil Service Superannuation Act. The Corporation provides for the employer's future pension liability which is fully funded on an indexed basis.

Unearned Premiums.

The liability for unearned premiums is the portion of premiums that relate to the unexpired term of each insurance contract.

Unpaid Claims.

Unpaid claims include a provision for reported unpaid claims, an estimate for unreported claims and a provision for future claims adjusting costs for reported and unreported claims.

Investment Income.

The investment income has been allocated to the automobile and general insurance divisions based on a monthly averaging of the funds available within each division.

Expenses.

The Corporation allocates expenses incurred to the automobile and general insurance divisions on the following basis:

i) Identifiable direct expenses are charged to each division.

ii) Where direct allocation is impractical, expenses are allocated to each division based on a proration approved by the Corporation's Board of Directors.

4. a) *Cash and Investments Maturing Within One Year.*

	1984	1983
	(Thousands of $)	
Cash and Investment Certificates	**$48,023**	$42,881
Bonds and Debentures	**6,131**	5,053
	$54,154	$47,934

b) As at October 31, 1984 the Corporation has committed $16.0 million (1983 - $17.0 million) for the purchase of various Manitoba long term securities.

Notes to the Financial Statements
CONTINUED

5. *Accounts Receivable.*

	1984		1983	
	Subrogation	Other	Subrogation	Other
	(Thousands of $)			
Accounts receivable	$ 6,815	$17,668	$ 5,854	$16,434
Less allowance for doubtful accounts	3,887	262	3,050	270
	$ 2,928	$17,406	$ 2,804	$16,164

6. *Property and Equipment.*

The cost of major classes of property and equipment and the related accumulated depreciation and amortization are:

	Cost	Accumulated Depreciation and Amortization	Net Book Value 1984	Net Book Value 1983
	(Thousands of $)			
Land	$ 1,635	$ —	$ 1,635	$ 1,328
Buildings	5,870	1,246	4,624	4,704
Equipment	2,596	1,456	1,140	1,051
	$10,101	$ 2,702	$ 7,399	$ 7,083
Leasehold improvements	1,296	508	788	892
	$11,397	$ 3,210	$ 8,187	$ 7,975

7. *Organizational Expenses.*

	Cost	Accumulated Amortization	Net Book Value 1984	Net Book Value 1983
	(Thousands of $)			
Automobile insurance division	$4,709	$2,825	$1,884	$2,119
General insurance division	2,595	448	2,147	1,420
	$7,304	$3,273	$4,031	$3,539

During the 1983 fiscal year the Corporation initiated a major project for the re-development of the general insurance system including the processing requirements for Special Risk Extension premiums and related statistics which was administered by the automobile insurance divison. The cost of this project is being capitalized and will be amortized at the straight-line rate of 5% per annum when the new system is operational.

The organizational expenses for the Special Risk Extension, automobile insurance division, incurred in the previous year have been transferred to the general insurance division.

8. *Reserves for Catastrophes and Contingencies.*

These reserves will assist in protecting the Corporation against future catastrophic losses and unforeseen events that may arise.

9. *Reserve for Rate Stabilization.*

This reserve may be utilized to offset increases in insurance rates or for providing increased benefits under the automobile plan.

10. *Share Cost Agreements.*

Administrative costs associated with driver and motor vehicle systems and basic commissions and flat fees paid to agents have been shared with The Division of Driver & Vehicle Licencing based on a share cost agreement. These agreements are currently under review. The net recovery for the 1984 fiscal year is recorded on a basis consistent with prior years.

Manitoba

THE MANITOBA RESEARCH COUNCIL

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D and E, and Schedules 1, 2 and 3, of The Manitoba Research Council for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the financial statements present fairly the financial position of The Manitoba Research Council as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

December 15, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA RESEARCH COUNCIL

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Current:		
Cash	$ 5,500	$ 5,500
Funds on deposit with the Minister of Finance:		
Trust accounts	1,190,896	1,512,109
Term deposit	63,113	442,256
	1,254,009	1,954,365
Accounts receivable (Note 2)	958,016	908,616
	2,217,525	2,868,481
Fixed: at cost (Note 1(b))		
Automobiles	30,000	10,000
Building	1,177,321	845,268
Equipment	5,528,398	4,042,342
Furniture and fixtures	359,363	294,475
Leasehold improvements	392,033	380,899
Land	25,000	25,000
	7,512,115	5,597,984
	$ 9,729,640	$ 8,466,465
LIABILITIES		
Current:		
Accounts payable	$ 578,830	$ 571,376
Loan payable (Note 6)	106,061	112,385
Investment in fixed assets, Schedule 1	7,512,115	5,597,984
Unexpended funds, Exhibit B	1,532,634	2,184,720
	$ 9,729,640	$ 8,466,465

Exhibit B

THE MANITOBA RESEARCH COUNCIL

Unexpended Funds Summary Statement
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Canadian Food Products Development Centre:		
Grant account, Exhibit C	$ 271,916	$ 858,128
General account, Exhibit E	67,484	62,371
	339,400	920,499
Industrial Technology Centre:		
Grant account, Exhibit D	1,192,020	1,263,007
Other Projects:		
General account	1,214	1,214
Unexpended funds, Exhibit A	$ 1,532,634	$ 2,184,720

Exhibit C

THE MANITOBA RESEARCH COUNCIL

Statement of Revenue and Expenditure and Unexpended Funds
Canadian Food Products Development Centre, Grant Account
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Grants received from the Governments of the Province of Manitoba and Canada (Note 1(a))	$ 808,895	$ 925,153
Fees for service	482,275	408,523
Contribution from the National Research Council (Note 3)	146,500	78,078
Term deposit interest	-	33,235
Total revenue	1,437,670	1,444,989
Expenditure, Schedule 2:		
Operating	1,125,160	907,053
Capital	898,722	244,009
Total expenditure	2,023,882	1,151,062
Excess of expenditure over revenue	586,212	(293,927)
Balance of unexpended funds at beginning of year	858,128	564,201
Balance of unexpended funds at end of year, Exhibit B	$ 271,916	$ 858,128

Exhibit D

THE MANITOBA RESEARCH COUNCIL

Statement of Revenue and Expenditure and Unexpended Funds
Industrial Technology Centre, Grant Account
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Revenue:		
Grants received from the Governments of the Province of Manitoba and Canada (Note 1(a))	$ 2,321,504	$ 3,070,121
Fees for service	1,836,175	1,165,961
Contribution from the National Research Council (Note 3)	366,250	356,732
Metric Information Centre Agreement (Note 4)	96,010	91,434
Term deposit interest	-	46,541
Rental income	4,750	-
Total revenue	4,624,689	4,730,789
Expenditure, Schedule 3:		
Operating	3,520,114	2,973,510
Capital	1,015,408	1,149,526
Contracts	160,154	270,000
Total expenditure	4,695,676	4,393,036
Excess of expenditure over revenue	70,987	(337,753)
Balance of unexpended funds at beginning of year	1,263,007	925,254
Balance of unexpended funds at end of year, Exhibit B	$ 1,192,020	$ 1,263,007

Exhibit E

THE MANITOBA RESEARCH COUNCIL

Statement of Revenue and Unexpended Funds
Canadian Food Products Development Centre, General Account
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance of unexpended funds at beginning of year	$ 62,371	$ 62,371
Interest earned on term deposit with the Government of the Province of Manitoba	5,113	-
Balance of unexpended funds at end of year, Exhibit B	$ 67,484	$ 62,371

THE MANITOBA RESEARCH COUNCIL

Schedule of Investment in Fixed Assets - at Cost for the year ended March 31, 1985

	Balance March 31, 1984	Acquisitions	Balance March 31, 1985
Canadian Food Products Development Centre			
Building	$ 845,268	$ 332,053	$ 1,177,321
Equipment	855,218	517,933	1,373,151
Furniture and fixtures	10,925	48,736	59,661
Land	25,000	-	25,000
	1,736,411	898,722	2,635,133
Industrial Technology Centre			
Automobiles	10,000	20,000	30,000
Equipment	3,187,124	968,123	4,155,247
Furniture and fixtures	283,550	16,152	299,702
Leasehold improvements	380,899	11,134	392,033
	3,861,573	1,015,409	4,876,982
Investment in fixed assets, Exhibit A	$ 5,597,984	$ 1,914,131	$ 7,512,115

Schedule 2

THE MANITOBA RESEARCH COUNCIL

Schedule of Expenditures
Canadian Food Products Development Centre - Grant Account
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Expenditures:		
Operating:		
Advertising and promotion	$ 8,319	$ 6,621
Bad debt expense	20,225	-
Building maintenance and repair	31,760	20,219
Computer related expenses	5,342	4,936
Equipment-rentals, maintenance and repair	9,718	23,762
Fees-memberships, seminars, customs and audit	9,867	19,533
Heating, utilities and taxes	45,557	36,790
Laboratory supplies	183,909	120,148
Library publications	19,233	11,572
Postage and telephone	26,945	19,378
Printing and stationery supplies	6,190	10,569
Purchased testing services	96,966	29,767
Real estate rental	3,132	6,695
Salaries and employee benefits	626,248	568,101
Staff transfer and relocation costs	12,561	-
Travel and transportation	19,188	28,962
	1,125,160	907,053
Capital:		
Building - construction contract (Note 5)	317,825	-
- other	14,228	-
	332,053	-
Equipment and furnishings	566,669	244,009
	898,722	244,009
Total expenditures, Exhibit C	$ 2,023,882	$ 1,151,062

Schedule 3

THE MANITOBA RESEARCH COUNCIL

Schedule of Expenditures
Industrial Technology Centre, Grant Account
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Expenditures:		
Operating:		
Advertising and promotion	$ 10,732	$ 22,399
Bad debt expense	74,690	19,205
Building maintenance and repair	32,773	20,544
Consulting fees	-	4,256
Computer related	168,296	110,682
Equipment - rentals, maintenance and repair	13,175	25,898
Fees - memberships, seminars, customs and audit	41,876	61,005
Heating, utilities and taxes	78,069	106,145
Laboratory supplies	175,205	175,149
Library - consultants and publications	87,396	110,855
Postage and telephone	92,648	64,501
Printing and stationery supplies	41,330	56,164
Purchased testing services	140,169	225,067
Real estate rental	169,055	143,705
Salaries and employee benefits	2,241,282	1,671,241
Staff transfer and relocation costs	15,802	20,548
Travel and transportation	121,672	122,204
Interest expense	15,944	13,942
	3,520,114	2,973,510
Capital:		
Equipment and furnishings	1,004,274	977,070
Leasehold improvements	11,134	172,456
	1,015,408	1,149,526
Contracts:		
Industrial Applications of Micro Electronics Inc.	100,000	200,000
University of Manitoba - Dr. Sehon	60,154	70,000
	160,154	270,000
Total expenditures, Exhibit D	$ 4,695,676	$ 4,393,036

THE MANITOBA RESEARCH COUNCIL

Notes to Financial Statements for the year ended March 31, 1985

1. Accounting Policies

(a) Nature of accounts

The Manitoba Research Council is responsible for managing the operations of the Canadian Food Products Development Centre and the Industrial Technology Centre and accounts for these separately in these financial statements. A significant portion of the funding for these Centres has been jointly provided by the Governments of the Province of Manitoba and Canada under the Subsidiary Agreement on Industrial Development. Under the terms of this Agreement which expired September 30, 1984, expenditures were shared by Canada and Manitoba on a 62.5 percent and 37.5 percent basis respectively. Since September 30, 1984, this portion of the funding for The Manitoba Research Council has been provided for entirely by the Department of Industry, Trade and Technology, Province of Manitoba.

Funds generated from operations of an activity prior to the Council operating under the Subsidiary Agreement on Industrial Development were recorded in a general account of the activity. These general account funds are available to the Council for undertakings related to the activity in excess of the funds authorized by way of Canada-Manitoba contributions.

Under the Subsidiary Agreement on Industrial Development, funds generated from operations of the Centres have been applied against the costs of operations of the Centres.

(b) Fixed assets

The balance sheet reflects fixed assets at cost, with a corresponding entry to "Investment in Fixed Assets". All fixed asset acquisition and sale transactions appear in the statement of revenue and expenditure, except for those costs of the expansion of the Canadian Food Products Development Centre which were paid by the Department of Government Services, Province of Manitoba, from funds received from the Manitoba Jobs Fund (Note 5). Because asset purchases and sales are reflected as expense and revenue as incurred, no provision is made for depreciation or amortization of fixed assets.

The Council's policy is to remove the cost of all physical assets from the accounts which have:

- become obsolete during the year,
- been sold or otherwise disposed of during the year, or
- in the case of leasehold improvements, a full write-off will be recorded at the termination of the lease period, including any renewal option periods.

(c) General and administrative expenses

Some general and administrative expenses of the Council and the salary of one engineer are paid by the Department of Industry, Trade and Technology, Province of Manitoba, from its appropriations.

2. Accounts Receivable

	1985	1984
Canadian Food Products Development Centre		
Trade:		
Government of Canada	$ 55,345	$ 19,500
Other	93,728	116,385
	149,073	135,885
Less: Allowance for doubtful accounts	20,225	2,492
	128,848	133,393
Contribution Agreement - National Research Council	36,750	78,077
Total	$ 165,598	$ 211,470
Industrial Technology Centre		
Trade:		
Government of the Province of Manitoba	$ 125,216	$ 120,254
Government of Canada	81,019	9,614
Other	602,195	420,544
	808,430	550,412
Less: Allowance for doubtful accounts	107,887	52,499
	700,543	497,913
Contribution Agreement - National Research Council	91,875	199,233
Total	792,418	697,146
Accounts Receivable, Exhibit A	$ 958,016	$ 908,616

THE MANITOBA RESEARCH COUNCIL

Notes to Financial Statements
for the year ended March 31, 1985

3. National Research Council Contribution Agreement

For the year ended March 31, 1985, a contribution agreement was approved between the National Research Council (NRC) and The Manitoba Research Council (MRC) which provided that the NRC would contribute up to a maximum of $514,500 to the MRC for services equivalent to seven staff years in respect to MRC providing technical information services to industry in Manitoba, an activity which augments the services that are provided by the NRC. On the basis of NRC's contribution, such services were provided during the year by staff of the Industrial Technology Centre and the Canadian Food Products Development Centre.

4. Metric Information Centre Agreement

An agreement between the Governments of the Province of Manitoba and Canada provides for funding from Canada up to $96,010 for the year ended March 31, 1985. The agreement has not been renewed.

5. Expansion of the Canadian Food Products Development Centre (CFPDC)

During the year, construction of the expansion of the CFPDC facilities was completed. Of the $817,325 in direct expenditures related to the expansion, $499,500 was paid by the Department of Government Services, Province of Manitoba, from funds received from the Manitoba Jobs Fund and is not reflected as an expenditure in these financial statements. The balance of the direct expenditures of $317,825 was paid from the unexpended funds of CFPDC.

6. Loan Payable

During the previous fiscal year, certain improvements were made to the facilities of the Industrial Technology Centre at a cost of $117,000. The cost was financed by way of a loan repayable over ten years in equal monthly installments of $1,855.63 including principal and interest. As at March 31, 1985, the outstanding loan principal amounts to $106,061.

7. Comparative Figures

Comparative figures for the year ended March 31, 1984, have been restated to conform with the presentation adopted for the year ended March 31, 1985.

ARTHUR ANDERSEN & CO.
CHARTERED ACCOUNTANTS

1400 RUPERTSLAND SQUARE
444 ST. MARY AVENUE
WINNIPEG, R3C 3T1
(204) 942-6541

To the Board of Commissioners of

The Manitoba Telephone System:

We have examined the balance sheets of THE MANITOBA TELEPHONE SYSTEM (a Manitoba corporation) as of March 31, 1985 and 1984 and the related statements of operations and reinvested earnings and changes in cash position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of The Manitoba Telephone System as of March 31, 1985 and 1984 and the results of its operations and changes in its cash position for the years then ended in accordance with the basis of accounting described in note 1(a) consistently applied during the periods.

Arthur Andersen & Co.

October 25, 1985

THE MANITOBA TELEPHONE SYSTEM

BALANCE SHEETS—MARCH 31, 1985 AND 1984
(in thousands of dollars)

ASSETS

	1985	1984 (Note 13)
TELECOMMUNICATIONS PROPERTY		
Buildings, plant and equipment	$1,081,618	$ 997,150
Less accumulated depreciation	501,892	429,271
	579,726	567,879
Land	5,767	5,727
Materials and supplies, at cost	11,040	9,150
Plant under construction	33,846	25,492
	630,379	608,248
INVESTMENTS (Notes 6 and 11)	9,055	4,089
INVESTMENT FUND (Note 7)	45,430	32,181
CURRENT ASSETS		
Cash	536	-
Temporary cash investments	9,502	21,051
Accounts receivable	38,303	33,333
Prepayments	4,354	4,263
	52,695	58,647
DEFERRED CHARGES		
Unrealized foreign currency losses, less amortization	11,438	18,936
Unamortized long-term debt expenses	2,588	3,316
Preliminary engineering and miscellaneous	2,714	3,131
Deferred employee benefit, less amortization	2,909	3,325
	19,649	28,708
	$ 757,208	$ 731,873

The accompanying notes are an integral part of these balance sheets.

THE MANITOBA TELEPHONE SYSTEM

BALANCE SHEETS—MARCH 31, 1985 AND 1984

(in thousands of dollars)

LIABILITIES AND REINVESTED EARNINGS

	1985	1984 (Note 13)
DEBT		
Long term debt (Note 8)	$ 557,915	$ 597,862
Less sinking fund investments	49,332	46,745
	508,583	551,117
Notes payable	31,225	5,000
	539,808	556,117
REINVESTED EARNINGS	115,702	100,510
DEFERRED EMPLOYEE BENEFITS (Note 10)	33,100	17,750
CURRENT LIABILITIES		
Outstanding cheques less cash in bank	-	5,345
Accounts payable and accrued liabilities	47,029	28,037
Advance billings and payments	3,309	2,926
Accrued interest	18,260	18,726
Mortgage payable, balance due within one year	-	2,462
	68,598	57,496
COMMITMENTS AND CONTINGENCIES (Notes 9 and 11)		
	$ 757,208	$ 731,873

THE MANITOBA TELEPHONE SYSTEM

STATEMENTS OF OPERATIONS AND REINVESTED EARNINGS

FOR THE YEARS ENDED MARCH 31, 1985 AND 1984

(in thousands of dollars)

	1985	1984
OPERATING REVENUES		
Long distance service	$185,332	$171,112
Local service	118,323	104,350
Miscellaneous (Note 2)	24,103	20,838
Less uncollectible operating revenues	(1,428)	(2,052)
	326,330	294,248
OPERATING EXPENSES		
Maintenance	56,605	52,020
Depreciation	90,462	86,756
Traffic	15,431	14,752
Commercial and marketing	31,045	28,126
General and administration (Note 10)	64,109	54,204
Operating taxes (Note 3)	7,791	7,638
	265,443	243,496
Net operating revenues	60,887	50,752
OTHER REVENUES (Note 4)	15,283	15,509
Net revenues before debt charges	76,170	66,261
DEBT CHARGES (Note 5)	60,978	64,134
Net revenues for the year	15,192	2,127
REINVESTED EARNINGS, beginning of year	100,510	98,383
REINVESTED EARNINGS, end of year	$115,702	$100,510

The accompanying notes are an integral part of these statements.

THE MANITOBA TELEPHONE SYSTEM

STATEMENTS OF CHANGES IN CASH POSITION

FOR THE YEARS ENDED MARCH 31, 1985 AND 1984

(in thousands of dollars)

	1985	1984 (Note 13)
SOURCES OF CASH		
Operations		
Net income	$ 15,192	$ 2,127
Cash provided by changes in working capital (Note 14)	13,848	6,990
Add: Depreciation and other items not requiring cash (net)	102,836	96,712
	131,876	105,829
Increase in Province of Manitoba advances	-	65,000
Investment in notes payable	31,225	5,000
Investment fund withdrawals	1,529	9,381
Total cash provided	164,630	185,210
APPLICATIONS OF CASH		
Repayment of long-term debt	31,025	79,275
Less payment from sinking fund	4,800	8,515
	26,225	70,760
Construction program expenditures (net)	108,813	90,692
Contribution to sinking fund	7,387	7,504
Contribution to investment fund	14,778	11,830
Payments toward deferred employee benefits	667	1,241
Repayment of notes payable	5,000	4,800
Increase in investments	4,966	1,113
Repayment of mortgage payable	2,462	-
Total cash applied	170,298	187,940
CASH AND TEMPORARY CASH INVESTMENTS INCREASE/(DECREASE)	(5,668)	(2,730)
BALANCE, AT BEGINNING OF YEAR	15,706	18,436
BALANCE, AT END OF YEAR	$ 10,038	$ 15,706

The accompanying notes are an integral part of these statements.

THE MANITOBA TELEPHONE SYSTEM

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 1985 AND 1984

1. SIGNIFICANT ACCOUNTING POLICIES

(a) General

The accompanying financial statements have been prepared in accordance with Canadian generally accepted accounting principles, except for the accounting for pension costs as set out in Note 10. The system of accounts and practices are similar to those used by other Telecom Canada members.

(b) Basis of Presentation

The investment in the wholly-owned subsidiary, MTX Telecom Services Inc., has been accounted for by the equity method (see Note 11) as presenting consolidated financial statements of The Manitoba Telephone System (the "System") would not provide the most informative presentation.

(c) Telecommunications Property

Telecommunications property is recorded at original cost including materials, direct labour and overhead costs which vary with the level of construction. In addition, The Manitoba Telephone System includes the cost of funds used to finance the construction, based on the duration of the projects.

(d) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of telecommunications property by applying rates which are based on a continuing program of engineering studies.

When depreciable telephone property is retired, the original cost of such property, adjusted by any disposal proceeds and costs of removal, is charged to accumulated depreciation.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Translation of Foreign Currencies

Foreign currencies have been translated into Canadian funds at rates of exchange on the following basis:

i) long term debt at rates prevailing at year end;
ii) accrued interest at rates prevailing at year end;
iii) debt charges at rates prevailing at the date of each transaction.

The unrealized loss resulting from the policy of using rates prevailing at March 31 is being amortized over the remaining term of the debt.

(f) Deferred Employee Benefits

The deferred employee benefit represents a sick leave vesting (SLV) plan and pension provisions as outlined in Note 10. The initial cost of the SLV plan, which became effective June 1, 1977, is being amortized on a straight-line basis over fifteen years. The annual sick leave entitlements subsequent to June 1, 1977 are being accrued and charged to expense in the year to which they relate. Payments to employees on termination are being charged to the deferred liability.

2. MISCELLANEOUS OPERATING REVENUE

	1985	1984
	(in thousands of dollars)	
Miscellaneous operating revenue includes:		
Directory advertising	$16,899	$15,107
Rentals and attachments	5,041	4,724
Other	2,163	1,007
	$24,103	$20,838

3. OPERATING TAXES

This category represents grants to municipalities in lieu of property taxes, the System's portion of Canada Pension Plan and Unemployment Insurance, the Health and Education Levy and general levies.

4. OTHER REVENUES

	1985	1984
	(in thousands of dollars)	
This group of revenue includes:		
Interest earned on investments	$10,451	$10,460
Surcharge on overdue accounts	1,311	1,266
Interest charged to construction	1,196	1,422
Net recoveries from foreign contracts	118	258
Miscellaneous, net	2,207	2,103
	$15,283	$15,509

5. DEBT CHARGES

	1985	1984
	(in thousands of dollars)	
Debt charges includes:		
Interest on long-term debt	$59,101	$57,570
Amortization of unrealized foreign currency losses	92	4,622
Amortization of long-term debt expenses	728	777
Other interest expense and debt charges	1,057	1,165
	$60,978	$64,134

6. INVESTMENTS

	1985	1984
	(in thousands of dollars)	
MTX Telecom Services Inc. (See Note 11)	$ 8,056	$ 3,090
Telesat Canada 99,900 Common shares, at cost	999	999
	$ 9,055	$ 4,089

7. INVESTMENT FUND

During the year the Board of Commissioners approved contributions to the fund of $14,778,000 and withdrawals from the fund of $1,529,000. The fund is comprised of short-term investments held in trust by the Minister of Finance of the Province of Manitoba. Interest on the fund is recorded as income in the period it is earned.

8. LONG TERM DEBT

	1985			1984
	Outstanding at rates prevailing March 31, 1985	Foreign exchange adjustment Note 1(e)	Outstanding at rates prevailing when debt incurred	Outstanding at rates prevailing when debt incurred
	(in thousands of dollars)			
Province of Manitoba Advances				
Series 10E, 9 1/4%, due December 9, 1985 (26.29 million Units of Account)	$ 29,774	$ (3,486)	$ 33,260	$ 33,419
Series 10J, 8 3/5%, due February 28, 1987 (7.3 billion Japanese Yen)	39,866	12,786	27,080	30,947
Series 11M, 13 1/4%, due October 13, 1987	65,000	-	65,000	65,000
Series 10V, 9 3/4% due December 1, 1988	25,000	-	25,000	25,000
Series 11E, 14 3/4%, due July 1, 1991 (40.0 million U.S. Dollars)	54,680	6,718	47,962	47,962
Series 11J, 15 1/4%, due March 31, 1992	40,000	-	40,000	40,000
Series 10T, 9 3/4%, due May 15, 1998	12,090	-	12,090	12,090
Series 11A, 10 1/4%, due August 1, 1999	5,000	-	5,000	20,000
Series 9X, 10%, due December 5, 1999	10,000	-	10,000	10,000
Series AD, 10 2/5%, due May 15, 1986	65,000	-	65,000	65,000
	$346,410	$ 16,018	$330,392	$349,418
Bonds Payable				
Debentures issued by the System fully guaranteed by the Province				
Series 1D, 5 1/4%, due December 1, 1984	$ -	$ -	$ -	$ 12,000
Series 1C, 5 1/2%, due December 2, 1986	12,500	-	12,500	12,500
Series 1J, 7 3/4%, due February 15, 1989	10	-	10	10
Series 1M, 8%, due September 15, 1989	108	-	108	108
Series 1E, 5%, due January 15, 1991 (14.5 million U.S. Dollars)	19,822	4,242	15,580	15,580
Series 1N, 7 7/8%, due November 15, 1991	20,000	-	20,000	20,000
Series 1F, 6 1/4%, due December 1, 1991	20,000	-	20,000	20,000
Series 1Q, 6 1/2%, due January 3, 1992 (80.0 million Swiss Francs)	42,065	17,025	25,040	25,040
Series 1G, 7%, due February 16, 1993	20,000	-	20,000	20,000
Series 1P, 7 7/8%, due March 15, 1993	10,000	-	10,000	10,000
Series 1T, 10%, due July 2, 1995	10,000	-	10,000	10,000
Series 1U, 10 1/2%, due May 1, 1996	20,000	-	20,000	20,000
Series 1S, 8 3/4%, due March 1, 1999	37,000	-	37,000	37,000
	$211,505	$ 21,267	$190,238	$202,238
	$557,915	$ 37,285	$520,630	$551,656
Foreign Exchange Adjustment				$ 46,206
Outstanding at Rates Prevailing March 31, 1984				$597,862

8. LONG-TERM DEBT (continued)

For Series 10E, both annual interest and principal on maturity are payable in a currency of exchange at the choice of the holder.

Under the requirements of The Manitoba Telephone Act, the System is required to pay to the Minister of Finance of the Province of Manitoba, as trustee for the sinking fund, an amount which is not less than 1% of the long-term debt outstanding at the end of the preceding fiscal year and 4% of the sinking fund balance at the end of the preceding fiscal year. The market value of the investments held in the fund at March 31, 1985 is $37,817,000 (1984 - $36,431,000).

If the System incurs no new long-term debt and assuming exchange rates at March 31, 1985 remain unchanged, the following payments will be required to meet sinking fund conditions and debt retirements:

Year ending March 31	Sinking fund payments	Debt retirement
	(in thousands of dollars)	
1986	$7,552	$ 40,257
1987	7,452	103,844
1988	6,711	68,130
1989	6,299	48,140
1990	6,069	108

9. COMMITMENTS

Purchase Commitments-
Commitments at March 31, 1985, relating principally to the purchase of equipment for future delivery and uncompleted contracts, were approximately $27,540,000.

Lease Commitments-
The Manitoba Telephone System rents buildings and construction and other equipment under operating leases. The aggregate annual rental of the commitments under the leases, which expire at varying dates to March 31, 1990, are:

1986	$2,182,000
1987	1,037,000
1988	918,000
1989	588,000
1990	78,000

10. PENSION

Employees of the System are pensionable under the Civil Service Superannuation Fund and make contributions at prescribed rates. The System is required to pay 50% of the Fund's pension disbursements made to retired employees. The payments are charged to general and administration expenses as incurred.

An actuarial evaluation of the Fund was conducted as at December 31, 1983. The results of the evaluation indicate that at the date of review the Fund was in a sound financial position.

According to the formula contained in the report issued after the evaluation, the liability which the System had at December 31, 1984 was:

(a) if no allowance is made for future increases in pension due to increases in the cost of living, $111,363,000.

(b) if allowance is made for future increases in pension due to increases in the cost of living, $165,339,000.

During the fiscal year ended March 31, 1984, a $5,000,000 provision was made to recognize the System's liability as a result of implementing an early retirement program and from legislated changes to the Pensions Benefits Act. This provision was augmented by $14,685,000 for the year ended March 31, 1985. The increase, included in general and administration operating expense, represents additional provision for legislative changes to the Pension Benefit Act and a partial recording of the increased liability accrued during the year.

The total of $19,685,000 has been included in contributions made to the Investment Fund.

11. MTX TELECOM SERVICES INC.

MTX Telecom Services Inc. ("MTX"), a wholly-owned subsidiary, was incorporated on January 15, 1982 for the purpose of marketing telecommunications equipment and services primarily outside of Manitoba.

(a) The System's investment in MTX is represented as follows:

	1985	1984
60,001 Common shares, at cost	$1,500	$1,500
Net operating advances	1,195	1,563
Notes receivable	5,585	-
Surplus (Deficit)	(224)	27
	$8,056	$3,090

11. MTX TELECOM SERVICES INC. (Continued)

Following is a brief summary of the financial statements of MTX Telecom Services Inc. for the years ended March 31, 1985 and 1984.

	1985	1984
	(in thousands	of dollars)
Sales	$ 8,808	$ 6,580
Cost of sales	8,637	5,935
Gross profit	171	645
Operating expense	369	326
Operating income (loss)	(198)	319
Foreign exchange transaction gains	116	-
Interest expense, net	(56)	(57)
Income (loss) from operations	(138)	262
Loss from investment	(113)	-
Net income (loss)	$ (251)	$ 262
Total assets	$ 9,011	$ 3,934
Total liabilities	7,735	2,407
Shareholder's Equity	$ 1,276	$ 1,527

Included in total assets of $9,011,000 at March 31, 1985 is an investment of $680,867, representing MTX Telecom Services Inc.'s ("MTX") 50% ownership in a Saudi Arabia limited liability company, Saudi Arabia Datacom Ltd. ("SADL"). The remaining 50% ownership is held by a Saudi Arabia Company. Total assets also include receivables of $7,360,000 from certain divisions of the 50% Saudi Arabia shareholder ($2,306,000 in 1984). MTX accounts for its investment in SADL on the equity method.

The recoverability by MTX of the investment in SADL and the related trade receivables described above is uncertain at this time. The recovery of these assets is dependent upon the success of future operations of SADL and certain related divisions of the 50% Saudi Arabia shareholder. Accordingly, the realization of the System's investment in MTX is also uncertain at this time.

11. MTX TELECOM SERVICES INC. (Continued)

(b) MTX collects accounts receivable due from its Saudi Arabia major customers (divisions of SADL's 50% Saudi Arabia shareholder) through the issue of bank drafts. These customers are responsible for repayment of the drafts, plus interest, at maturity. The term of the drafts vary up to periods of 24 months. In connection with these drafts, MTX has provided a guarantee to the banks to a maximum of $3,000,000 in the event of default by these customers. This guarantee is in turn supported by a letter of comfort of up to $3,000,000 provided by the Manitoba Telephone System.

Bank drafts outstanding, including interest, are $5,213,948 as of March 31, 1985.

(c) An agreement is in force between the shareholders of SADL which contains provisions that certain management fees representing various administrative and other related services be charged by SADL to a division of the 50% Saudi Arabia shareholder. The loss from investment recorded by MTX is after management fees of $1,132,000 and $746,000 in 1985 and 1984, respectively.

(d) During the years ending March 31, 1985 and 1984, there were the following intercompany transactions.

		1985	1984
		(in thousands of dollars)	
1.	Administration fee charged by the System for rent, accounting and other administration services	$ 144	$ 126
2.	Sales of surplus equipment, and support staff provided to MTX Telecom Services Inc. by the System	$1,018	$1,065
3.	Purchases of new equipment by the System from MTX Telecom Services Inc.	$ 37	$ 840
4.	Balance owing to MTX Telecom Services Inc. at March 31, included in accounts payable and accrued liabilities	$ -	$ 103
5.	Interest charged by the System on notes and advances to MTX Telecom Services Inc.	$ 545	$ 68

12. SUBSEQUENT EVENT

The Manitoba Telephone System has approved a further investment in MTX of 340,000 shares at $25 per share amounting to $8,500,000. This investment will be used to finance future MTX projects.

13. 1984 FINANCIAL STATEMENTS

The 1984 figures have been reclassified where necessary to conform to the 1985 presentation. In addition, the 1984 statements of sources of funds used for construction has been restructured to be in accordance with the new format presented in 1985 entitled statement of changes in cash position.

14. STATEMENTS OF CHANGES IN CASH POSITION

Cash was provided (used) by changes in working capital as follows:

	1985	1984
	(in thousands of dollars)	
(Increase)/Decrease in Current Assets:		
Accounts receivable	$(4,970)	$ (958)
Prepayments	(91)	1,596
Increase/(Decrease) in Current Liabilities:		
Accounts payable and accrued liabilities	18,992	1,917
Advance billings and payments	383	296
Accrued interest	(466)	4,139
	$13,848	$6,990

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THE MANITOBA TRADING CORPORATION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Trading Corporation for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policy stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

August 26, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA TRADING CORPORATION

BALANCE SHEET
AS AT MARCH 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Cash on deposit with Minister of Finance	$ 502,660	$ 502,792
Accounts receivable:		
Trade	1,252	1,252
	$ 503,912	$ 504,045
LIABILITIES		
Advances from the Government of the Province of Manitoba for working capital	$ 500,000	$ 500,000
Funds available for future operations:		
Balance at beginning of year	4,045	2,863
Expenditure over (under) revenue, Exhibit B	133	(1,182)
Balance at end of year	3,912	4,045
	$ 503,912	$ 504,045

Exhibit B

THE MANITOBA TRADING CORPORATION

STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED MARCH 31, 1985
(with 1984 figures for comparison)

	1985	1984
REVENUE:		
Interest on overdue accounts receivable	$ -	$ 133
Recovery of expenditures relating to:		
Export Development Corporation insurance refund	-	500
Institutional Market Program	-	555
	-	1,188
EXPENDITURE:		
Legal fee	133	-
Sundry	-	6
Expenditure over (under) revenue, Exhibit A	133	$(1,182)

THE MANITOBA TRADING CORPORATION

Notes to Financial Statements
as at March 31, 1985

1. Administrative expenditures are funded from an appropriation of the Department of Industry, Trade and Technology.

2. The accrual basis of accounting is used in the preparation of these financial statements, except for interest on accounts receivable which is recorded on a cash basis.

MANITOBA
PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to F, of The Manitoba Vegetable Producers' Marketing Board for the fiscal year ended June 30, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board as at June 30, 1984 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

W. K. Ziprick, C.A.,
Provincial Auditor.

October 26, 1984,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Balance Sheet
as at June 30, 1984
(with 1983 figures for comparison)

ASSETS	1984	1983
Current assets:		
Cash on hand and in bank	$ 256,944	$ 11,711
Bank deposit receipts	100,000	200,000
Accounts receivable - trade	346,301	259,865
- Peak of the Market Sales Ltd.	205,761	109,903
- storage crop advance	112,264	-
- other	2,447	2,176
Inventories of vegetables, net realizable value	54,300	24,663
Prepaid expenses	154,463	154,250
Total current assets	1,232,480	762,568
Investment in Peak of the Market Sales Ltd.	30	30
Fixed assets:		
Land and buildings, as valued by the Board	681,868	681,868
Equipment and automobiles, at cost	627,904	614,522
	1,309,772	1,296,390
Less: assistance grants	37,576	37,576
	1,272,196	1,258,814
Less: accumulated depreciation	795,907	748,739
	476,289	510,075
	$ 1,708,799	$ 1,272,673

LIABILITIES AND CAPITAL SURPLUS	1984	1983
Current liabilities:		
Outstanding cheques	$ 533,699	$ 320,461
Bank loans (Note 2)	114,226	78,000
Accounts payable - producers	343,706	248,033
- other	139,173	135,092
Funds held for promotion and research, Exhibit D	22,403	24,254
Other trust accounts (Note 3)	19,202	22,952
Total current liabilities	1,172,409	828,792
Other liabilities:		
Financial assistance provided by the Governments of Canada and Manitoba, repayable (Note 4)	7,710	18,652
Operations account, Exhibit B	243,494	140,043
	1,423,613	987,487
Capital surplus arising from:		
Financial assistance provided by the Governments of Canada and Manitoba, not repayable	206,438	206,438
Valuation of land and buildings	78,748	78,748
	285,186	285,186
	$ 1,708,799	$ 1,272,673

Exhibit B

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Operations
for the year ended June 30, 1984
(with 1983 figures for comparison)

	1984	1983
Revenues:		
Board's assessments against pools, Exhibit C	$ 578,512	$ 525,794
Prepack operation:		
Sales	6,492,583	4,660,994
Less: cost of sales	5,837,725	4,080,166
Gross margin	654,858	580,828
Processing fees:		
Cartage and storage	3,324	7,469
Custom work	20,476	17,686
Washing and grading	134,834	158,550
	158,634	183,705
Sundry:		
Rental revenue	65,079	55,116
Commissions on consignment sales and other revenue	79,224	70,528
	144,303	125,644
Total revenues	1,536,307	1,415,971
Operating expenditures, Exhibit E	1,432,856	1,465,885
Increase (decrease) in operations account	103,451	(49,914)
Operations account, beginning of year	140,043	189,957
Operations account, end of year, Exhibit A	$ 243,494	$ 140,043

Exhibit C

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Pool Transactions
for the year ended June 30, 1984
(with 1983 figures for comparison)

	1984	1983
Revenue from vegetables sold through pools	$ 11,455,782	$ 8,333,921
Deduct pool charges:		
Direct charges:		
Brokerage	52,115	35,652
Claims	-	442
Containers	22,658	26,359
Freight equalization	32,381	44,601
Inspection	3,722	3,191
Prepack subsidy	9,298	16,372
Seed delivery	4,436	3,000
Selling and promotion allowances	13,751	8,235
	138,361	137,852
Funds allocated for:		
Promotion and research	31,099	29,979
Freight equalization	81,988	73,060
	113,087	103,039
Board's assessments:		
Handling charges	465,461	436,113
Processing fees	28,161	11,712
Waxing	82,798	76,612
Fractional differences	2,092	1,357
	578,512	525,794
Total pool charges	829,960	766,685
Distributed to producers	$ 10,625,822	$ 7,567,236

Exhibit D

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Pool Funds Held
for the year ended June 30, 1984
(with 1983 figures for comparison)

	1984	1983
Promotion and research:		
Balance, beginning of year	$ 24,254	$ 24,509
Add: funds allocated from pools, Exhibit C	31,099	29,979
amount provided from direct priced sales	1,674	2,528
grants and commissions	7,535	13,788
	64,562	70,804
Deduct: promotional charges	42,159	46,550
Balance, end of year, Exhibit A	$ 22,403	$ 24,254
Freight equalization:		
Balance, beginning of year	$ -	$ -
Add: funds allocated from pools, Exhibit C	81,988	73,060
overquota service charges	28,666	11,826
amount charged to producers	-	12,022
	110,654	96,908
Deduct: freight allowances to wholesalers	104,077	96,908
amount credited to producers	6,577	-
	110,654	96,908
Balance, end of year	$ -	$ -

Exhibit E

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Operating Expenditures
for the year ended June 30, 1984
(with 1983 figures for comparison)

	1984	1983
Audit	$ 16,133	$ 17,192
Bad debts	350	22,105
Board members' fees	9,719	10,060
Board members' expenses	5,815	6,160
Bank service charge	3,041	2,524
Cafeteria operations, net	2,238	3,367
Claims and allowances	4,480	4,082
Containers and packaging supplies	186,592	167,700
Depreciation	55,436	56,572
Equipment rental	4,759	4,203
Fuel, water, light and power	66,153	65,086
Health and post secondary education tax levy	11,567	12,609
Insurance	12,135	12,950
Legal	250	9,465
Maintenance and repairs	50,159	59,309
Manager's expenses	2,180	2,370
Miscellaneous	18,209	16,845
Office supplies and postage	15,991	15,061
Pension and employee insurance	71,400	68,045
Property and business taxes	68,280	65,987
Public relations and promotion	36,158	31,086
Salaries and wages	744,076	775,995
Telephone and telex	21,271	20,527
Truck, auto and travel	26,464	16,585
Total, Exhibit B	$ 1,432,856	$ 1,465,885

Exhibi

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Statement of Changes in Financial Position
for the year ended June 30, 1984
(with 1983 figures for comparison)

	1984	1983
Source of funds:		
Operations:		
Net increase (decrease) in operations account for the year	$ 103,451	$ (49,91
Item not involving funds:		
Depreciation	55,436	56,57
Funds provided from operations	158,887	6,658
Proceeds from Regional Economic Expansion grant	–	10,861
Proceeds from Fresh Fruits and Vegetable Storage Construction grant	–	2,510
	158,887	20,029
Use of funds:		
Purchase of fixed assets	21,650	78,442
Reduction to repayable financial assistance provided by the Governments of Canada and Manitoba	10,942	10,098
	32,592	88,540
Increase (decrease) in working capital for the year	126,295	(68,511)
Working capital (deficiency), beginning of year	(66,224)	2,287
Working capital (deficiency), end of year	$ 60,071	$ (66,224)
Represented by:		
Current assets	$ 1,232,480	$ 762,568
Current liabilities	1,172,409	828,792
	$ 60,071	$ (66,224)

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Notes to Financial Statements
June 30, 1984

1. Significant accounting policies

a) Investment in Peak of the Market Sales Ltd.

The Board reflects its investment in Peak of the Market Sales Ltd., a wholly owned subsidiary, at cost. The subsidiary operates on a breakeven basis and acquires all of its products from the Board at regular Board prices, for resale at the same prices and all operating costs are absorbed by the Board. Total sales to the subsidiary (1984 - $3,589,770; 1983 - $2,153,376) have not been segregated in these financial statements. The amount reflected as accounts receivable from Peak of the Market Sales Ltd. represents the amount due to the subsidiary from its customers as at the year-end date.

b) Land and buildings

Land and buildings have been recorded at a book value transferred from the preceding entity, which includes an incremental valuation adjustment of $78,748, with a subsequent disposal of part of the land recorded on a pro rata basis. Depreciation on buildings is calculated on a straight-line basis, using an estimated service life of 40 years.

c) Equipment and automobiles

Equipment and automobiles are depreciated on a straight-line basis with an estimated useful life of 10 years for equipment and 5 years for automobiles.

d) Operations account

The Board operates on a break-even basis, recovering its estimated costs by assessing handling charges against the pools handled on behalf of the participating producers. The prepack operation and other processing services are offered in order to enhance the overall pooling process. The mark-up applied to the prepack operation and rates charged for other processing services are also based on the estimated costs of providing the related services. Any variance between the estimated costs recovered from the aforementioned sources and actual costs of Board operations is accumulated in the Operations Account. The balance of this account represents funds held for producers which have not been allocated and are used for working capital purposes.

THE MANITOBA VEGETABLE PRODUCERS' MARKETING BOARD

Notes to Financial Statements
June 30, 1984

2. Bank loans

The amount shown for bank loans is comprised of the following:

	1984	1983
Operating loan, interest at prime, secured by a general assignment of accounts receivable	$ -	$ 78,000
Crop storage loans, interest payable by and outstanding balance guaranteed by the Government of Canada	114,226	-
	$ 114,226	$ 78,000

3. Other trust accounts

The transactions pertaining to other trust accounts are as follows:

	Cultivar Research Project	Head Lettuce Project	Total
Balance, June 30, 1983	$ 22,740	$ 212	$ 22,952
Contributions from participants	22,725	10,350	33,075
Interest received	646	-	646
	46,111	10,562	56,673
Disbursements	26,909	10,562	37,471
Balance, June 30, 1984	$ 19,202	$ -	$ 19,202

4. Repayable financial assistance

The financial assistance provided by the Governments of Canada and Manitoba has been provided interest free and with no specified final due date. Payments are required monthly, based on the volume of products passed through the warehouse.

5. Pension plan

A fully vested pension plan is being maintained for the employees and is administered by a trustee. Actuarial valuations, as required by the Pension Benefits Act of Manitoba, are calculated on a tri-annual basis. The most recent valuation, as at July 31, 1983, indicated a fund surplus of $115,745.

Manitoba

THE MANITOBA WATER SERVICES BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C, D and E, and Schedules 1 to 3, of The Manitoba Water Services Board for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Manitoba Water Services Board as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

November 17, 1985,
Winnipeg, Manitoba.

Exhibit A

THE MANITOBA WATER SERVICES BOARD

Balance Sheet
as at March 31, 1985

A S S E T S

	1985	1984
Current assets:		
Cash on hand and on deposit with the Minister of Finance	$ 375,434	$ 271,600
Accounts receivable	530,444	663,446
Grants receivable from the Government of the Province of Manitoba - subsidization of construction costs	161,699	510,130
Accrued interest	785,337	763,745
Prepaid expenses	190,157	36,569
	2,043,071	2,245,490
Debentures receivable from municipalities, Schedule 1 (Note 2)	17,928,170	16,766,304
Construction in progress recoverable from municipalities and the Government of the Province of Manitoba (Note 3)	1,307,070	848,983
Fixed assets: (Note 4)		
Works, at cost		
Land and easements	80,977	80,977
Buildings and equipment	5,579,767	5,578,902
	5,660,744	5,659,879
Less: Accumulated depreciation	3,642,864	3,488,982
	2,017,880	2,170,897
Accumulated excess of operating expenditures over revenues, recoverable, Exhibit C, (Note 5)	2,670,900	3,468,556
Amortized interest recoverable	96,237	63,981
	$ 26,063,328	$ 25,564,211

Exhibit A

LIABILITIES

	1985	1984
Current liabilities:		
Accounts payable and accrued charges	$ 1,018,921	$ 773,885
Capital debt, Schedule 3: (Note 2)		
Advances from the Government of the Province of Manitoba	17,657,556	17,153,628
Advances and debentures - Canada Mortgage and Housing Corporation (Note 7)	2,631,144	2,735,348
Bonds	5,977,000	5,977,000
	26,265,700	25,865,976
Less sinking fund: (Note 1 f))		
Cash on deposit with the Minister of Finance	144,022	111,541
Investments, at cost, Schedule 2	1,218,857	1,141,448
	1,362,879	1,252,989
	24,902,821	24,612,987
Interest adjustment fund account Exhibit D, (Note 8)	141,586	177,339
	$ 26,063,328	$ 25,564,211

Exhibit B

THE MANITOBA WATER SERVICES BOARD

Statement of Operating Revenues and Expenditures for the year ended March 31, 1985

	1985	1984
Revenues:		
Sale of water	$ 2,238,551	$ 1,876,543
Interest:		
Municipalities	1,972,068	1,762,075
Sinking funds and funds on deposit	204,062	148,903
Grant from the Government of the Province of Manitoba - subsidization of water rates	549,403	698,021
- other	60,660	-
	5,024,744	4,485,542
Expenditures:		
Interest:		
Advances	2,030,307	1,768,922
Bonds and debentures	643,620	655,399
Audit and other fees	11,603	16,444
Chemicals	401,223	387,880
Depreciation	153,882	171,196
Salaries and benefits	680,488	649,578
Heat, telephone, light and power	274,288	244,090
Repairs and maintenance	111,845	166,339
Water purchased for resale	192,816	172,682
Water quality expense	-	6,891
	4,500,072	4,239,421
Interest allocated to interest adjustment fund account, Exhibit D	(35,753)	86,670
Interest applied to construction	(237,231)	(167,911)
	4,227,088	4,158,180
Excess of operating revenues over expenditures, Exhibit C	$ 797,656	$ 327,362

Exhibit C

THE MANITOBA WATER SERVICES BOARD

Statement of Accumulated Excess of Operating Expenditures over Revenues, Recoverable, (Note 5) for the year ended March 31, 1985

	1985	1984
Balance, beginning of year	$ 3,468,556	$ 3,795,918
Deduct: Excess of operating revenues over expenditures, Exhibit B	797,656	327,362
Balance, end of year, Exhibit A	$ 2,670,900	$ 3,468,556

Exhibit D

THE MANITOBA WATER SERVICES BOARD

Statement of Interest Adjustment Fund Account
for the year ended March 31, 1985

	1985	1984
Balance, beginning of year	$ 177,339	$ 90,669
Interest allocated from Statement of Operating Revenues and Expenditures, Exhibit B	(35,753)	86,670
Balance, end of year	$ 141,586	$ 177,339

Exhibit E

THE MANITOBA WATER SERVICES BOARD

Statement of Changes in Financial Position
for the year ended March 31, 1985

	1985	1984
Source of Funds:		
From operations:		
Excess of operating revenues over expenditures, Exhibit B	$ 797,656	$ 327,362
Add: Non-cash transactions:		
Depreciation	153,882	171,196
Amortization of sinking fund bond discount - net	(32,256)	(18,087)
	919,282	480,471
The Government of the Province of Manitoba:		
Grants - subsidization of construction costs	2,617,180	2,433,957
Advances - net	503,928	2,165,028
The Government of Canada:		
Construction expenditure recoveries	2,224	21,578
Municipalities:		
Debenture principal repayments	476,300	578,759
Construction expenditure recoveries	1,482,954	958,871
	6,001,868	6,638,664
Application of Funds:		
Construction of facilities for municipalities	6,198,611	6,089,950
Canada Mortgage and Housing Corporation:		
Advances - net	104,204	95,085
Allocated to interest adjustment fund account	35,753	(86,670)
Purchase of fixed assets	865	15,261
Sinking fund payments - net	109,890	105,663
	6,449,323	6,219,289
Increase (Decrease) in working capital	(447,455)	419,375
Working capital, beginning of year	1,471,605	1,052,230
Working capital, end of year	$ 1,024,150	$ 1,471,605
Current assets, Exhibit A	$ 2,043,071	$ 2,245,490
Less: current liabilities, Exhibit A	1,018,921	773,885
Working capital	$ 1,024,150	$ 1,471,605

THE MANITOBA WATER SERVICES BOARD

Schedule 1

Schedule of Debentures Receivable from Municipalities
as at March 31, 1985

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Village of Arborg	5	October 31 1985-2000	9.25-13.75	$ 175,418
Village of Benito	1	October 31 [illegible]	9.8	[illegible]
Village of Binscarth	1	October 31, 1985-199[illegible]	11.25	34,028
Village of Binscarth	1	December 31, 1985-2004	12.75	4,410
Rural Municipality of Birtle	2	October 31, 1985-2000	11.25-13.75	146,797
Town of Birtle	2	December 31, 1985-2003	12.625 - 13.125	251,345
Town of Carman	3	October 31, 1985-1999	9.0-11.25	203,536
Rural Municipality of Cartier	1	October 31, 1985-1995	10.95	121,459
Village of Cartwright	1	December 31, 1985-2004	12.75	21,414
Rural Municipality of Coldwell	2	October 31, 1985-1996	9.8-10.95	129,712
Local Government District of Consol	1	October 31, 1985-1996	9.8	53,401
Town of Dauphin	2	October 31, 1985-1996	9.8-10.95	418,325
Town of Deloraine	3	October 31, 1985-2000	9.8-13.75	93,923
Rural Municipality of DeSalaberry	2	December 31, 1985-2004	12.625-12.75	87,005
Rural Municipality of East St. Paul	3	October 31, 1985-1997	9.0-10.95	141,640
Town of Emerson	3	October 31, 1985-2000	9.8-13.75	46,574
Village of Erickson	1	October 31, 1985-1994	9.25	5,662
Rural Municipality of Eriksdale	1	October 31, 1985-1996	9.8	6,678
Village of Ethelbert	1	October 31, 1985-1989	11.25	6,649
City of Flin Flon	5	December 31, 1985-2004	12.625-12.75	1,651,409
Village of Gilbert Plains	2	October 31, 1985-1995	9.25-10.95	91,447
Town of Gimli	1	October 31, 1985-2000	13.75	90,883
Town of Gladstone	2	December 31, 1985-2004	12.625-12.75	196,479
Village of Glenboro	1	December 31, 1985-2002	13.125	101,507
Town of Grandview	6	October 31, 1985-2000	9.0-13.75	123,365
Town of Grandview	1	December 31, 1985-2002	13.125	59,533
Village of Gretna	3	October 31, 1985-1995	9.8-11.25	26,915
Rural Municipality of Grey	2	October 31, 1985-2000	11.25-13.75	363,799
Village of Hamiota	1	October 31, 1985-2000	13.75	18,319
Rural Municipality of Hanover	2	December 31, 1985-2004	12.75	170,572
Town of Hartney	9	October 31, 1985-2000	9.0-13.75	538,780
Town of Killarney	1	December 31, 1985-1988	6.645	88,719
Village of Lac du Bonnet	1	December 31, 1985-2004	12.75	32,742
Rural Municipality of Lorne	1	October 31, 1985-1997	9.50	249,333
Rural Municipality of Macdonald	4	October 31, 1985-2000	9.8-13.75	314,501
Rural Municipality of Macdonald	6	October 31, 1985-2000	9.0-13.75	163,557
Village of MacGregor	2	December 31, 1985-2003	12.625-13.125	148,171
Village of Manitou	1	October 31, 1985-2000	13.75	21,681
Village of McCreary	2	October 31, 1985-1998	9.0-11.25	80,919
Town of Minnedosa	3	October 31, 1985-1998	9.8-11.25	26,402
Rural Municipality of Miniota	4	October 31, 1985-2000	9.8-13.75	186,109
Village of Minitonas	1	October 31, 1985-1996	9.8	13,105
Rural Municipality of Montcalm	1	October 31, 1985-1999	11.25	85,816
Town of Morris	1	December 31, 1985-1998	12.625	61,865
Town of Morris	2	October 31, 1985-1998	9.0-9.8	146,525
Local Government District of Mountain	2	December 31, 1985-2004	12.75-13.125	103,182
Town of Neepawa	2	October 31, 1985-1997	9.0-9.8	125,064
Rural Municipality of North Norfolk	2	October 31, 1985-2000	9.8-13.75	317,750
Village of Notre Dame de Lourdes	3	October 31, 1985-1996	9.25-10.95	103,680
	3	October 31, 1985-1995	9.25-10.95	59,481
Carried forward	113			7,719,531

THE MANITOBA WATER SERVICES BOARD

Schedule 1

Schedule of Debentures Receivable from Municipalities
as at March 31, 1985

Municipality	Number of Debentures	Term	Interest Rates %	Balance
Brought forward	113			$ 7,719,531
Rural Municipality of Ochre River	2	December 31, 1985-2002	12.625-13.125	29,785
Rural Municipality of Pembina	1	October 31, 1985-1989	11.25	6,992
Village of Pilot Mound	1	October 31, 1985-2000	13.75	21,818
Rural Municipality of Pipestone	2	October 31, 1985-2000	11.25-13.75	45,575
Village of Plum Coulee	4	October 31, 1985-2000	9.0-13.75	257,187
City of Portage la Prairie	6	October 31, 1985-2000	9.0-13.75	1,725,473
City of Portage la Prairie	1	December 31, 1985-2002	13.125	66,960
Rural Municipality of Portage la Prairie	2	October 31, 1985-1995	9.25-10.95	98,478
Town of Rapid City	1	October 31, 1985-1998	9.8	12,497
Rural Municipality of Ritchot	6	October 31, 1985-2000	9.8-13.75	114,352
Rural Municipality of Ritchot	2	December 31, 1985-2004	12.625-12.75	131,858
Rural Municipality of Riverside	2	October 31, 1985-2000	11.25-13.75	162,852
Village of Riverton	4	October 31, 1985-1998	9.0-10.95	206,318
Village of Riverton	1	December 31, 1985-2002	13.125	17,561
Town of Roblin	2	October 31, 1985-2000	11.25-13.75	288,203
Village of Rossburn	5	October 31, 1985-2000	9.0-13.75	79,760
Town of Russell	1	December 31, 1985-2004	12.75	355,462
Village of Ste. Anne	2	October 31, 1985-1996	9.8-11.25	59,889
Village of St. Claude	3	October 31, 1985-1998	9.8-10.95	49,885
Village of St. Claude	1	December 31, 1985-1999	12.75	15,717
Village of Ste. Rose du Lac	4	October 31, 1985-1997	9.0-10.95	66,494
Village of Ste. Rose du Lac	1	December 31, 1985-2004	12.75	69,000
Town of Selkirk	6	October 31, 1985-2000	9.0-13.75	1,209,225
Village of Shoal Lake	1	October 31, 1985-2000	13.75	161,067
Rural Municipality of Siglunes	1	December 31, 1985-2001	13.125	7,240
Town of Snow Lake	5	December 31, 1985-2004	12.625-13.125	1,036,939
Village of Somerset	2	December 31, 1985-2003	12.625-13.125	78,835
Town of Souris	3	October 31, 1985-1998	9.0-9.8	478,941
Town of Souris	3	December 31, 1985-2000	12.625-13.125	326,894
Town of Steinbach	3	October 31, 1985-1997	9.0-10.95	82,067
Town of Stonewall	2	October 31, 1985-2006	9.8-10.95	879,986
Rural Municipality of Strathclair	1	October 31, 1985-1988	9.8	24,292
Rural Municipality of Strathcona	2	October 31, 1985-2000	11.25-13.75	43,362
Local Government District of Stuartburn	3	October 31, 1985-2000	9.8-13.75	162,802
Town of Swan River	3	October 31, 1985-1997	9.0-10.95	516,339
Rural Municipality of Tache	3	October 31, 1985-1998	9.0-10.95	26,403
Village of Teulon	1	October 31, 1985-2006	8.0	350,839
Rural Municipality of Thompson	1	October 31, 1985-1996	9.8	131,166
Village of Treherne	2	October 31, 1985-1996	9.8-11.25	141,349
Town of Virden	3	October 31, 1985-1998	9.8-13.75	349,334
Town of Virden	1	December 31, 1985-1998	13.125	17,588
Community of Wabowden (Note 6)	1	August 1, 1985-1995	9.0	200,365
Village of Waskada	1	October 31, 1985-1988	9.25	1,053
Village of Wawanesa	2	October 31, 1985-2000	11.25-13.75	47,641
Town of Winkler	1	October 31, 1985-1996	9.8	20,858
Town of Winnipeg Beach	2	October 31, 1985-2000	11.25-13.75	31,938
	220			$ 17,928,170

Schedule 2

THE MANITOBA WATER SERVICES BOARD

Schedule of Sinking Fund Investments as at March 31, 1985

	Interest Rate %	Maturity Date	Par Value	Cost
Debentures:				
Province of Manitoba	11 3/4	March 15, 1993	$ 253,000	$ 245,156
Manitoba Hydro Electric Board	6 1/4	October 1, 1986	4,000	3,516
Manitoba Hydro Electric Board	6 1/4	February 1, 1989	26,000	20,491
Manitoba Hydro Electric Board	6	April 15, 1992	376,000	246,500
Manitoba Hydro Electric Board	6 1/2	September 1, 1992	23,000	16,142
Manitoba Hydro Electric Board	9	April 1, 1990	11,000	9,865
Manitoba Hydro Electric Board	8 1/2	September 15, 1991	37,000	31,158
Manitoba Hydro Electric Board	7 7/8	April 5, 1992	74,000	56,741
Manitoba Hydro Electric Board	8 1/4	August 31, 1992	271,000	222,413
Manitoba Hydro Electric Board	8 3/8	August 1, 1998	111,000	76,897
Manitoba Hydro Electric Board	8 3/8	December 17, 1998	36,000	24,205
Manitoba Hydro Electric Board	10	June 10, 1994	85,000	76,980
Manitoba Hydro Electric Board	8	April 1, 1991	11,000	8,622
Manitoba Hydro Electric Board	7	November 15, 1987	10,000	8,370
Manitoba Telephone System	5 1/2	December 2, 1986	30,000	25,839
Manitoba Telephone System	6 1/4	December 1, 1991	52,000	36,612
Manitoba Telephone System	7	February 15, 1993	158,000	109,350
			$ 1,568,000	$ 1,218,857

Schedule 3

THE MANITOBA WATER SERVICES BOARD

Schedule of Capital Debt
as at March 31, 1985

	1985	1984
Advances from the Government of the Province of Manitoba:		
9% payable annually October 31, 1985-1997	$ 1,649,026	$ 1,714,937
9.8% payable annually October 31, 1985-1998	1,827,115	1,887,470
11.25% payable annually October 31, 1985-1999	1,830,982	1,877,871
9.25% payable annually March 31, 1986-2004	1,305,071	1,394,139
9.8% payable annually October 31, 1985-2006	1,419,823	1,474,413
9.4% payable annually October 31, 1985-2007	39,733	40,228
13.75% payable annually October 31, 1985-2000	3,491,085	3,552,634
13.125% payable annually December 31, 1985-2002	1,099,163	1,115,793
12.625% payable annually December 31, 1985-2004	2,306,145	-
Other	2,689,413	4,096,143
	17,657,556	17,153,628
Canada Mortgage and Housing Corporation Debentures:		
7 7/8% payable annually August 1, 1985-1994	69,997	74,463
8% payable annually December 1, 1985-1995	52,569	55,463
8% payable annually January 1, 1986-1996	31,736	33,484
8% payable annually January 1, 1986-1996	40,647	42,885
8% payable annually February 1, 1986-1996	43,185	45,564
10% payable annually February 1, 1986-1996	80,932	84,840
10 3/8% payable annually January 1, 1986-1996	104,974	109,919
10 3/8% payable annually January 1, 1986-1996	23,145	24,235
10 3/8% payable annually February 1, 1986-1996	76,985	80,611
10 3/8% payable annually February 1, 1986-1996	50,481	52,859
10 3/8% payable annually February 1, 1986-1996	58,989	61,767
10 3/8% payable annually February 1, 1986-1996	120,043	125,697
10 3/8% payable annually December 1, 1985-1996	117,764	122,552
10 3/4% payable annually August 1, 1985-1996	54,649	56,810
10 3/4% payable annually December 1, 1985-1996	33,102	34,412
10 3/4% payable annually December 1, 1985-1996	15,102	15,699
8% payable annually April 1, 1986-1997	12,574	13,181
8% payable annually July 1, 1985-1997	722,471	753,222
10% payable annually July 1, 1985-1997	28,412	29,445
10% payable annually July 1, 1985-1997	19,796	20,516
10 3/8% payable annually April 1, 1985-1997	116,989	121,746
10 3/8% payable annually April 1, 1985-1997	103,691	107,907
10 3/4% payable annually July 1, 1985-1997	147,935	153,005
9 5/8% payable annually February 1, 1986-1998	67,160	69,677
11% payable annually November 1, 1985-2002	437,816	445,389
	2,631,144	2,735,348
Carried forward	$ 20,288,700	$ 19,888,976

Schedule 3

THE MANITOBA WATER SERVICES BOARD

Schedule of Capital Debt
as at March 31, 1985

	1985	1984
Brought forward	$ 20,288,700	$ 19,888,976
Bonds:		
Canada Pension Plan Investment Fund, subject to prior redemption, guaranteed as to principal and interest by the Government of the Province of Manitoba:		
5.42% bonds due April 1, 1986	2,954,000	2,954,000
7.26% bonds due June 2, 1989	3,023,000	3,023,000
	5,977,000	5,977,000
	$ 26,265,700	$ 25,865,976

THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements
for the year ended March 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The Board's financial statements have been prepared using the accrual basis of accounting except that, in accordance with the procedures followed by the Government of the Province of Manitoba, the Board's disbursement account was held open until April 19, 1985 for the payment of accounts for expenditures incurred during the fiscal year ended March 31, 1985.

b) Accumulated excess of operating expenditures over revenues, recoverable

The accumulated excess of operating expenditures over revenues shown on the the balance sheet pertains to plants operated under the following terms:

(A) Plants owned and operated by the Board with cost recovery over a 35 year life. These plants were constructed prior to 1972 under The Manitoba Water Supply Board Act. The Act was amended in 1972 and became known as The Manitoba Water Services Board Act with no further additions under this program. The amended Act provides for grants for rate stabilization by the Government of the Province of Manitoba.

(B) The plants operated by the Board under agreements with municipalities which were constructed since 1972 under The Manitoba Water Services Board Act.

All operating deficits of plants operated by the Board are recoverable from the municipalities.

c) Interest Adjustment Fund Account

The Board maintains a separate fund account balance for interest adjustments.

d) Administration costs

The costs related to the administration and general operation of the Board are paid out of an appropriation of the Department of Agriculture. These expenses are not reflected in the financial statements.

e) Depreciation policy

The Board provides depreciation on a straight line basis for its fixed assets over an 18 year term for equipment and a 35 year term for buildings.

THE MANITOBA WATER SERVICES BOARD

Notes to Financial Statements
for the year ended March 31, 1985

f) Sinking fund

The sinking fund is maintained in accordance with the requirements of the Manitoba Water Services Board Act which prescribes that the Board pay a minimum annual instalment to the Minister of Finance of the Province of Manitoba of not less than 1% of the principal amount of the outstanding capital indebtedness on the preceding March 31, together with 4% of the balance in the sinking fund at that date.

Income earned on sinking fund investments is remitted to the Board and is included with interest revenue for the year.

2. DEBENTURES RECEIVABLE FROM MUNICIPALITIES

The Board obtained capital debt financing at fixed interest rates in accordance with approved repayment schedules of advances from the Government of the Province of Manitoba and of debentures payable to Canada Mortgage and Housing Corporation. In turn, the Board received cash payments or obtained debentures from municipalities for their share of capitalized costs for plant construction. The debentures were issued in amounts and at fixed interest rates sufficient to discharge the municipalities' share of the corresponding capital debt financing provided by the Government of the Province of Manitoba and Canada Mortagage and Housing Corporation.

3. CONSTRUCTION IN PROGRESS RECOVERABLE FROM MUNICIPALITIES AND THE GOVERNMENT OF THE PROVINCE OF MANITOBA

	March 31	
	1985	1984
Balance at beginning of year	$ 848,983	$ 511,801
Construction during the year, Exhibit E	6,198,611	6,089,950
	7,047,594	6,601,751
Recoveries during the year		
Municipalities:		
Cash payments received, Exhibit E	1,482,954	958,871
Debentures received	1,638,166	2,338,362
	3,121,120	3,297,233
The Government of the Province of Manitoba, Exhibit E:		
Grants - subsidization of construction costs	2,617,180	2,433,957
The Government of Canada, Exhibit E:		
Construction expenditure recoveries	2,224	21,578
	5,740,524	5,752,768
Balance at end of year, Exhibit A	$ 1,307,070	$ 848,983

4. FIXED ASSETS

The following is the summary of the Board's fixed assets:

	1985	1984
Land and easements	$ 80,977	$ 80,977
Buildings	4,267,942	4,267,942
Less: accumulated depreciation	2,382,747	2,258,773
	1,885,195	2,009,169
Equipment	1,311,825	1,310,959
Less: accumulated depreciation	1,260,117	1,230,209
	51,708	80,750
	$ 2,017,880	$ 2,170,896

5. ACCUMULATED EXCESS OF OPERATING EXPENDITURES OVER REVENUE

The details of plants operated under A and B as explained in note 1 b) are set out below:

	March 31			
	1985		1984	
	No.	Amount	No.	Amount
Plants operated under A - owned and operated by the Board:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	34	$ 2,754,066	36	$ 3,480,803
Plants with an accumulated excess of operating revenues over expenditures	3	56,622	1	29,641
	37	$ 2,697,444	37	$ 3,451,162

5. ACCUMULATED EXCESS OF OPERATING EXPENDITURES OVER REVENUE (continued)

The Manitoba Water Services Board Act requires the Board to fix rates for each plant to recover costs pertaining to the services supplied taking into account grants for rate stabilization provided by the Government of the Province of Manitoba to those plants constructed under The Manitoba Water Supply Board Act. The rates set by the Board and approved by the Province are in accordance with tables maintained by the Board which indicate a return of full capital costs and operating deficits based on a 35 year operating life. For the year ended March 31, 1985 rate stabilization grants totalling $549,403 were paid in respect of the operations of 28 of the plants constructed under The Manitoba Water Supply Board Act (1984 - $698,021, respecting 29 plants).

	March 31			
	1985		1984	
	No.	Amount	No.	Amount
Plants operated under B - operated by the Board for Municipalities:				
Plants with an accumulated excess of operating expenditures over revenues, recoverable	4	$ 33,781	5	$ 46,326
Plants with an accumulated excess of operating revenues over expenditures	6	60,325	5	28,932
	10	26,544	10	17,394
Totals under A and B	47	$ 2,670,900	47	$ 3,468,556

6. AGREEMENT, COMMUNITY OF WABOWDEN

Because of the legal status of the Community of Wabowden, the Board has entered into an agreement, in lieu of a debenture, with the Minister of the Department of Northern Affairs who is acting on behalf of the Community. The agreement provides for the recovery of the capitalized costs and interest in accordance with a repayment schedule over a twenty year period ending August 1, 1995.

7. ADVANCES - CANADA MORTGAGE AND HOUSING CORPORATION

Advances from Canada Mortgage and Housing Corporation are made on approved projects to The Manitoba Water Services Board on the basis of up to two-thirds of the approved costs of projects under construction. The advances made by Canada Mortgage and Housing Corporation are eligible for forgiveness to the extent of 25% of the principal amount of the loan, and 25% of the interest that has accrued in respect of loan advances to the date of completion of the project. Long term debt financing is being provided by the Province and the Canada Mortgage and Housing Corporation financing obtained during the construction period is repaid.

8. INTEREST ADJUSTMENT FUND ACCOUNT

The Board charges interest on advances to construction projects and water treatment plants operated by the Board. The policy is to charge interest at a rate which reflects the cost of borrowing by the Board. The difference between interest charged and the cost of borrowing are accumulated in the Interest Adjustment Fund Account. The Board, from time to time, adjusts interest rates to maintain a reasonable balance in the Interest Adjustment Fund Account.

The balance in the Interest Adjustment Fund Account was previously included in construction in progress recoverable from municipalities and the Government of the Province of Manitoba on the Balance Sheet.

9. CAPITAL AUTHORITY

The Legislature has authorized the borrowing and expending of monies for municipal sewer and water systems. The unexpended amounts as at March 31, 1985 are as follows:

Legislative Authority	Unexpended balance as at March 31, 1985
The Loan Act 1981	$ 300,000
The Loan Act 1982	2,000,000
The Loan Act 1983	3,000,000
The Loan Act 1984	7,000,000
	$ 12,300,000

Manitoba

MOOSE LAKE LOGGERS LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Moose Lake Loggers Ltd. as at March 31, 1985 and the statements of retained earnings, revenues and expenditures, and changes in financial position, and the schedule of operating expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at March 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

September 26, 1985,
Winnipeg, Manitoba.

Exhibit A

MOOSE LAKE LOGGERS LTD.

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
Current assets:		
Cash, less outstanding cheques	$ 2,289	$ (61,322)
Short term deposits	51,025	-
	53,314	(61,322)
Accounts receivable:		
Trade	87,351	182,417
Employees	31,951	12,970
Government of the Province of Manitoba	8,478	6,194
	127,780	201,581
Loans receivable from sub-contractors re purchase of equipment - unsecured	76,577	89,790
Inventories, at cost	86,598	63,690
Prepaid expenses	2,936	3,667
Total current assets	347,205	297,406
Fixed assets, at cost: (Note 4)		
Buildings and trailers	509,829	509,829
Less accumulated depreciation	310,968	244,297
	198,861	265,532
Equipment	250,156	268,172
Less accumulated depreciation	172,377	155,496
	77,779	112,676
Other assets, at cost: (Note 4)		
Campsite improvements	116,817	116,817
Less accumulated amortization	82,743	59,015
	34,074	57,802
Main road construction	235,321	235,321
Less grants received	156,000	156,000
	79,321	79,321
Less accumulated amortization	65,790	59,437
	13,531	19,884
Total fixed and other assets	324,245	455,894
	$ 671,450	$ 753,300

Exhibit A

LIABILITIES AND SHAREHOLDERS' EQUITY

		1985	1984
Current liabilities:			
Accounts payable and accrued liabilities:			
Trade		$ 44,404	$ 30,274
Government of the Province of Manitoba		2,685	3,666
Wage deductions		38,319	74,622
Employees		55,295	40,810
Total current liabilities		140,703	149,372
Conditional sales agreement (Note 5)		88,350	199,483
Total liabilities		229,053	348,855
Shareholders' equity:			
Capital stock (Note 2):			
Authorized - 35,000 common shares for a maximum consideration of	$350,000		
Issued and fully paid - 30,009 common shares		300,090	300,090
Contributed surplus:			
Grant from the Government of Canada towards capital expenditures		5,720	5,720
Retained earnings, Exhibit B		136,587	98,635
Total shareholders' equity		442,397	404,445
		$ 671,450	$ 753,300

Exhibit B

MOOSE LAKE LOGGERS LTD.

Statement of Retained Earnings
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Balance, beginning of year	$ 98,635	$ 149,677
Less: Revenues over (under) expenditures, Exhibit C	37,952	(51,042)
Balance, end of year, Exhibit A	$ 136,587	$ 98,635

Exhibit C

MOOSE LAKE LOGGERS LTD.

Statement of Revenues and Expenditures for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
Revenues:		
Log cutting contract - Manfor Ltd.	$ 3,226,525	$ 2,421,091
Commissary sales	406,244	247,045
Board charges	82,950	47,796
Road maintenance	19,596	18,629
Interest income	9,286	4,808
Trainee reimbursement	2,366	39,437
Accounting service fees	2,225	3,200
Equipment rental	498	4,164
Reforestation Program (Note 6)	275	145,467
Miscellaneous	1,662	10,107
Total revenues	3,751,627	2,941,744
Expenditures, Exhibit E:		
Log cutting contracts	2,370,699	1,847,099
Camp operations	1,088,827	810,081
General and administrative	254,149	231,338
Reforestation Program (Note 6)	-	104,268
Total expenditures, Exhibit E	3,713,675	2,992,786
Revenues over (under) expenditures, Exhibit B	$ 37,952	$ (51,042)

Exhibit D

MOOSE LAKE LOGGERS LTD.

Statement of Changes in Financial Position
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Source of funds:		
Operations:		
Revenues over (under) expenditures	$ 37,952	$ (51,042)
Add: Charges not involving an outlay of funds - depreciation and amortization	136,405	137,896
	174,357	86,854
(Gain) loss on sale of fixed assets	(4,865)	327
	169,492	87,181
Proceeds from sale of fixed assets	30,031	512
	199,523	87,693
Use of funds:		
Purchase of fixed and other assets	29,921	79,550
Conditional sales agreement	111,134	74,989
	141,055	154,539
Increase (decrease) in working capital	$ 58,468	$ (66,846)

Exhibit E

MOOSE LAKE LOGGERS LTD.

Schedule of Operating Expenditures
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Log cutting contracts:		
Wages and benefits	$ 1,518,123	$ 1,193,994
Equipment rental	689,111	515,286
Fuel and oil	105,348	66,211
Repairs and maintenance	30,678	32,389
Miscellaneous supplies	16,978	33,188
Depreciation	9,144	5,237
Insurance	1,317	794
Exhibit C	2,370,699	1,847,099
Camp operations:		
Wages and benefits	271,878	187,362
Provisions	147,532	92,752
Depreciation	103,084	109,269
Fuel and oil	89,323	86,115
Repairs and maintenance	64,124	63,364
Interest on conditional sales agreement (Note 5)	17,486	26,936
Freight	12,499	4,910
Insurance	6,356	7,700
Amortization - main road	6,353	4,924
Equipment rental	455	2,851
	719,090	586,183
Commissary - cost of sales	369,737	223,898
Exhibit C	1,088,827	810,081
Carried forward	$ 3,459,526	$ 2,657,180

Exhibit E

MOOSE LAKE LOGGERS LTD.

Schedule of Operating Expenditures
for the year ended March 31, 1985
(with 1984 figures for comparison)

	1985	1984
Brought forward	$ 3,459,526	$ 2,657,180
General and administrative:		
Wages and benefits	140,130	134,689
Health and post secondary education tax levy	25,848	20,714
Depreciation	17,433	17,425
Professional fees	17,080	15,700
Fuel and oil	13,370	12,084
Directors' travel	8,023	1,971
Profit sharing plan	6,697	–
Directors' fees and salaries	4,600	4,319
Communications	4,549	5,841
Repairs and maintenance	4,377	2,542
Insurance	3,906	2,628
Stationery and supplies	3,015	3,576
Travel	2,026	5,455
Miscellaneous	7,960	4,067
(Gain) loss on sale of fixed assets	(4,865)	327
Exhibit C	254,149	231,338
Reforestation Program:		
Wages and benefits	–	57,737
Provisions	–	23,884
Equipment rental	–	10,671
Miscellaneous supplies	–	9,280
Fuel and oil	–	1,752
Miscellaneous	–	944
Exhibit C	–	104,268
Total expenditures, Exhibit C	$ 3,713,675	$ 2,992,786

MOOSE LAKE LOGGERS LTD.

Notes to Financial Statements
for the year ended March 31, 1985

1. Accounting Policies

The accounting policies of the company are in accordance with generally accepted accounting principles and their basis of application, is consistent with that of the preceding year.

Fixed assets:
Fixed assets are stated at cost. It is the company's policy to provide for depreciation and amortization of fixed assets on the basis shown in note 4.

Revenue recognition:
Pulpwood sales are recognized on the basis of pulpwood delivered to roadside and scaled in accordance with the terms of the sales contract.

2. Capital Stock

The issued shares are held by the Government of the Province of Manitoba except for nine shares which are held by the appointed directors in trust for Her Majesty the Queen in right of the Province of Manitoba.

3. Services Provided by the Government of the Province of Manitoba

The Government of the Province of Manitoba provides the services of the Secretary-Treasurer and other miscellaneous administrative services at no charge to the Company. The Government of the Province of Manitoba also provides Workers Compensation coverage for Company staff at no charge to the Company.

4. Fixed Assets and Other Assets

The Company depreciates its fixed assets and amortizes its other assets on the following basis:

	Annual Rate
A) Depreciation	
a) Straight line	
Buildings	10-33 1/3%
Trailers	15-33 1/3%
Equipment	20-33 1/3%
b) Diminishing balance	
Trucks	30%

4. **Fixed Assets** (continued)

	Annual Rate
B) Amortization	
a) Straight line	
Campsite improvements	12 1/2 - 33 1/3%
b) Other	
Main road construction	10 cents per cord sold

5. Conditional Sales Agreement

The conditional sales agreement reflects the amount owing on the purchase of the Talbot Lake Camp from Manfor Ltd., a company wholly-owned by the Government of the Province of Manitoba. The terms of the agreement provide limitations on the actions the Company can take with respect to the Talbot Lake Camp. The principal and interest, at the prime rate charged monthly by Manfor Ltd., is repayable over eight years with the final payment due October 1, 1989. The yearly repayment is based on an allowance per cord sold. At the current rate of repayment this liability may be discharged prior to October 1, 1989.

6. Reforestation Program

The Company undertook a reforestation program under an employment creation agreement with the Government of the Province of Manitoba, the Government of Canada and the International Woodworkers of America (Local 1-324). The agreement provides that the Company recovers all expenditures pertaining to the reforestation program. The excess of revenue over expenditure pertaining to the program results from the indirect expenditure pertaining to camp operations and administration not being allocated to the program. This program terminated March 31, 1984 with minor adjustments noted in revenues for 1985.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE PUBLIC SCHOOLS FINANCE BOARD

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A, B, C and Schedules 1 and 2, of The Public Schools Finance Board for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

Amendments to legislation and regulations, effective January 1, 1984, mainly account for increased education support. The amendments provided for increases in the provision for transportation, immigrant/native pupils, print and non-print materials, extra operating and compensatory support.

In our opinion, these financial statements, together with the information provided in the preceding paragraph, present fairly the financial position of the Board as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

Fred H. Jackson, C.A.,
Assistant Provincial Auditor.

April 12, 1985,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SCHOOLS FINANCE BOARD

Balance Sheet
as at December 31, 1984
(with 1983 figures for comparison)

	1984	1983
ASSETS		
Cash in bank	$ 315,006	$ 3,407
Accounts receivable:		
Government of the Province of Manitoba	4,109,491	7,839,641
Municipal corporations, education support levies	72,227,698	71,259,297
Miscellaneous	85,202	59,840
Prepaid expense	2,061	398
	$ 76,739,458	$ 79,162,583
LIABILITIES		
Accounts payable and accrued charges:		
Education Support	$ 1,901,635	$ 8,049,207
Other	1,502,550	1,352,035
Notes payable on demand, at bank prime - Province of Manitoba	68,250,000	67,250,000
	71,654,185	76,651,242
Municipal corporations' education support levies account, Exhibit C	5,085,273	2,511,341
	$ 76,739,458	$ 79,162,583

Exhibit B

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Revenue and Expenditure for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Revenue:		
Government of the Province of Manitoba, share of the Education Support Program	$ 339,299,374	$ 326,508,035
Municipal corporations, education support levy	180,559,759	178,227,111
	519,859,133	504,735,146
Excess of revenue over expenditure carried forward to municipal corporations' education support levies account, Exhibit C	2,622,618	152,457
	$ 517,236,515	$ 504,582,689
Expenditure:		
Education Support Program:		
Education Support, Note 2(e), Schedule 1	$ 509,226,790	$ 496,828,677
Administrative and other expenses, Schedule 2	8,009,725	7,754,012
	$ 517,236,515	$ 504,582,689

Exhibit C

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Municipal Corporations' Education Support Levies Account for the year ended December 31, 1984

Balance, December 31, 1983, Exhibit A	$ 2,511,341
Add:	
Excess of revenue over expenditure for the year ended December 31, 1984, Note 2(c), Exhibit B	2,622,618
	5,133,959
Less:	
Adjustment of previous years' Education Support grants from estimated to actual, Note 2(d)	48,686
Balance, December 31, 1984, Exhibit A	$ 5,085,273

Schedule 1

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Education Support
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Operating:		
Basic operating	$ 316,350,103	$ 316,170,856
Pupil	8,487,000	8,649,300
Transportation	25,176,362	24,536,354
Special services	34,316,170	32,041,570
Vocational industrial	4,731,850	4,634,500
Immigrant/native pupils	1,918,446	1,277,022
Print and non-print materials	7,392,540	5,566,140
Extra operating	64,790,978	60,369,250
Mill rate reduction	-	127,319
Compensatory	2,000,000	-
Capital:		
Debt servicing, Note 2(a) and Note 3	34,245,324	33,611,196
Other	5,021,008	5,284,740
Buses	3,211,254	3,040,175
Vocational equipment	1,585,755	1,520,255
Total education support program, Exhibit B	$ 509,226,790	$ 496,828,677

Schedule 2

THE PUBLIC SCHOOLS FINANCE BOARD

Statement of Administrative and Other Expenses for the year ended December 31, 1984 (with 1983 figures for comparison)

	1984	1983
Board Members:		
Indemnities	$ 65,613	$ 59,703
Travel	7,137	5,504
Sundry	7,464	6,208
	80,214	71,415
Staff:		
Salaries	414,818	436,299
Travel	7,722	12,464
Sundry	3,574	5,656
	426,114	454,419
Office:		
Printing, stationery and supplies	23,311	25,160
Equipment, Note 2(b)	11,246	13,334
Equipment rentals	4,352	6,138
Telephone	9,722	12,501
	48,631	57,133
Professional Services:		
Audit	23,950	23,225
Other	6,315	13,618
	30,265	36,843
Interest Expense:		
Interest charges on loans for advances of support	7,424,501	7,134,202
Total administrative and other expenses, Exhibit B	$ 8,009,725	$ 7,754,012

THE PUBLIC SCHOOLS FINANCE BOARD

Notes to Financial Statements

December 31, 1984

1. Nature of the Board's Operations:

The Public Schools Finance Board was established by The Public Schools Finance Board Act in April 1967. The objectives of the Board are to facilitate the financing of the education support program for school divisions and to assist boards of school divisions in the economic operation of the school system. The Board is responsible for the administration of the support provided under the education support system.

2. Significant Accounting Policies:

   a. The accounts of the Board are maintained on an accrual basis, with the exception of the debt servicing category of education support, which is expensed on a cash basis.

   b. Fixed asset purchases for the Board's administrative purposes are expensed in the year of acquisition.

   c. Education support requirements are determined in the first instance on the basis of financial budgets of school divisions. The amount of the funding requirements not covered by the Province is charged to the municipal corporations. The excess or deficiency of revenue over expenditure is reflected in the municipal corporations' education support levies account.

   d. The education support for previous years is adjusted based on final statistical reports and audited financial statements of the school divisions. The statement of municipal corporations' education support levies account, Exhibit C, reflects the adjustment.

e. The education support for 1984 is an estimated amount based on 1984 statistical reports and financial budgets submitted by the school divisions. The support is subject to revision following receipt of the final statistical reports and audited financial statements for 1984.

3. The capital support portion of the education support program includes payments made to service the debenture debt of the school divisions during the fiscal year. The Board has not, however, assumed the legal liability related to the repayment of such long-term debt.

4. As at December 31, 1984, the Board has $1,824,370 in outstanding commitments for the purchase of school buses (1983 - $1,306,278).

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE PUBLIC SERVICE GROUP INSURANCE FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A to [illegible] and Schedules 1 and 2, of The Public Service Group Insurance Fund for the fiscal year ended April 30, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at April 30, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

Fred H. Jackson, C.A.,
Assistant Provincial Auditor.

January 9, 1985,
Winnipeg, Manitoba.

Exhibit A

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employees' Group Life Insurance Plan Part of the Fund

Balance Sheet
as at April 30, 1984
(with 1983 figures for comparison)

ASSETS

	1984	1983
Cash in bank	$ 1,650	$ 2,421
Investments at amortized cost, Note 1(b), Schedule 1	12,827,162	10,319,462
Amount to be transferred from The Canada Life Assurance Company, Note 3	1,697,737	1,239,781
Employees' Group Life Insurance Plan Reserve held by the Canada Life Assurance Company	100,125	111,600
Accrued interest on investments	285,202	240,037
Due from Dependents' Group Life Insurance Plan	46,021	35,993
	$14,957,897	$11,949,294

LIABILITIES

	1984	1983
Accounts payable	$ 62,745	$ 57,018
Investment reserve, Note 1(b), Exhibit G	105,273	73,266
Reserve for current and future benefits, Exhibit D, Note 6	14,789,879	11,819,010
	$14,957,897	$11,949,294

Exhibit B

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan Part of the Fund

Balance Sheet
as at April 30, 1984
(with 1983 figures for comparison)

ASSETS

	1984	1983
Investments at amortized cost, Note 1(b), Schedule 2	$ 708,372	$653,298
Accidental Death and Disablement Plan Specific Reserve Held by the Canada Life Assurance Company	638,023	288,269
Accrued Interest on Investments	5,984	4,808
	$1,352,379	$946,375

LIABILITIES

	1984	1983
Accounts Payable	$ 6,817	$ 6,265
Investment Reserve, Note 1(b), Exhibit H	3,564	1,814
Reserve for Current and Future Benefits, Note 6, Exhibit E	1,341,998	938,296
	$1,352,379	$946,375

Exhibit C

THE PUBLIC SERVICE GROUP INSURANCE FUND
Dependents' Group Life Insurance Plan Part of the Fund

Balance Sheet
as at April 30, 1984
(with 1983 figures for comparison)

ASSETS

	1984	1983
Dependents' Group Life Insurance Plan Account Held by the Canada Life Assurance Company	$ (90,698)	$(132,669)

LIABILITIES

	1984	1983
Due to Group Life Insurance Plan	$ 46,021	$ 35,993
Reserve for Current and Future Benefits, Note 7, Exhibit F	(136,719)	(168,662)
	$ (90,698)	$(132,669)

Exhibit D

THE PUBLIC SERVICE GROUP INSURANCE FUND
Employees' Group Life Insurance Plan Part of the Fund
Statement of Contributions, Claims and Changes in the Reserve
for the year ended April 30, 1984 - Note 6
(with 1983 figures for comparison)

	1984	1983
Balance at beginning of year	$11,819,010	$ 9,353,575
Additions:		
Contributions, Note 1(a)		
Employees	4,312,594	4,069,288
Employers	1,890,899	1,782,437
Retired employees	279,701	214,605
Total contributions	6,483,194	6,066,330
Adjustment for non-contributory additional employees' group life insurance, Note 8	302,953	283,473
Contributions waived for the disabled, Note 8	46,973	35,711
Canada Life refund of interest charged, Note 2	-	45,509
Investment income, Note 1(b):		
Interest	1,415,346	1,360,740
Amortization of discounts	19,342	14,441
Transfer to investment reserve, Exhibit G	(32,007)	(25,750)
Total investment income	1,402,681	1,349,431
Total additions	8,235,801	7,780,454
Deductions:		
Claims, Note 1(c):		
Death	4,469,077	4,616,834
Disability	194,312	140,258
	4,663,389	4,757,092
Adjustment for non-contributory additional employees' group life insurance, Note 8	302,953	283,473
Canada Life charges	60,551	62,233
Conversion and risk charges	9,955	19,529
Premium taxes	96,128	97,877
Contributions waived for the disabled, Note 8	46,973	35,711
Administration fee charged by The Civil Service Superannuation Board	50,901	47,637
Professional fees	34,082	11,290
Other	-	177
Total deductions	5,264,932	5,315,019
Balance at end of year, Exhibit A	$14,789,879	$11,819,010

Exhibit E

THE PUBLIC SERVICE GROUP INSURANCE FUND
Accidental Death and Disablement Plan Part of the Fund
Statement of Contributions, Claims and Changes in the Reserve
for the year ended April 30, 1984 - Note 6
(with 1983 figures for comparison)

	1984	1983
Balance at beginning of year	$ 938,296	$578,831
Additions:		
Contributions, employers, Note 1(a)	792,730	743,550
Investment income - interest	87,929	79,734
Transfer to investment reserve, Exhibit H	(1,750)	(1,625)
Total investment income	86,179	78,109
Total additions	878,909	821,659
Deductions:		
Death claims, Note 1(c)	434,250	424,721
Canada Life retention and risk charges	15,212	15,689
Premium taxes	15,855	14,871
Administration fee charged by The Civil Service Superannuation Board	5,924	5,588
Professional fees	3,966	1,325
Total deductions	475,207	462,194
Balance at end of year, Exhibit B	$1,341,998	$938,296

Exhibit F

THE PUBLIC SERVICE GROUP INSURANCE FUND
Dependents' Group Life Plan Part of the Fund
Statement of Contributions, Claims and Changes in the Reserve
for the year ended April 30, 1984 - Note 7
(with 1983 figures for comparison)

	1984	1983
Balance at beginning of year	$(168,662)	$(267,441)
Additions:		
Contributions, Note 1(a)		
Employees	450,772	408,364
Retired employees	30,646	23,833
Total contributions	481,418	432,197
Bank Interest	266	582
Total additions	481,684	432,779
Deductions:		
Death Claims, Note 1(c)	421,500	310,000
Canada Life charges	6,289	5,979
Conversion charges	2,030	-
Premium taxes	9,628	8,644
Administration fee charged by The Civil Service Superannuation Board	3,627	3,217
Professional fees	2,429	762
Other	4,238	5,398
Total deductions	449,741	334,000
Balance at end of year, Exhibit C	$(136,719)	$(168,662)

Exhibit G

THE PUBLIC SERVICE GROUP INSURANCE FUND

Statement of Changes in the Investment Reserve of the Employees' Group Life Insurance Plan Part of the Fund for the year ended April 30, 1984 (with 1983 figures for comparison)

	1984	1983
Additions during the year:		
Transfer in accordance with investment policy, Note 1(b), Exhibit D	$ 32,007	$ 25,750
Balance, beginning of year	73,266	47,516
Balance, end of year, Exhibit A	$105,273	$ 73,266

Exhibit H

THE PUBLIC SERVICE GROUP INSURANCE FUND

Statement of Changes in the Investment Reserve of the Accidental Death and Disablement Plan Part of the Fund for the year ended April 30, 1984 (with 1983 figures for comparison)

	1984	1983
Additions during the year:		
Transfer in accordance with investment policy, Note 1(b), Exhibit E	$ 1,750	$ 1,625
Balance, beginning of year	1,814	189
Balance, end of year, Exhibit B	$ 3,564	$ 1,814

Schedule 1

THE PUBLIC SERVICE GROUP INSURANCE FUND

Employees' Group Life Insurance Plan Part of the Fund
Summary of Investments
as at April 30, 1984

	Par Value	Book Value
Short term investments with the Minister of Finance		$ 7,924,293
Bonds and debentures:		
Government of Canada	$ 4,925,000	4,902,869
Total investments - Exhibit A		$12,827,162

Schedule 2

THE PUBLIC SERVICE GROUP INSURANCE FUND

Accidental Death and Disablement Plan Part of the Fund
Summary of Investments
as at April 30, 1984

	Book Value
Short Term Investments with the Minister of Finance	$708,372
Total Investments - Exhibit B	$708,372

THE PUBLIC SERVICE GROUP INSURANCE FUND

Notes to Financial Statements
for the year ended April 30, 1984

1. Significant accounting policies:

The Public Servants Insurance Act provides for the establishment of a Fund to be known as the Public Service Group Insurance Fund. The Fund and its accounts are split into three parts, the Group Life Insurance Plan Part, the Accidental Death and Disablement Plan Part, and the Dependents' Group Life Insurance Plan Part. This split is consistent with the financial arrangements with the Insurance Company.

Funds available for investment are pooled and the investments acquired are allocated to the Plans on the basis of their accumulated reserves.

The Fund's fiscal year coincides with the insurance policy year. The financial statements reflect the results of transactions based on the following established significant accounting policies:

(a) Contributions include an accrual in respect of the partial insured period ending April 30th for each insurance policy year.

(b) The Investment Reserves, shown in the Balance Sheets, do not reflect a valuation of the investments, but are maintained to stabilize and even out the investment income.

The investment income measurement policies consist of:

Premiums on bonds and debentures in excess of one percent of par value are amortized on a straight line basis over the remaining term and are charged to the Investment Reserve. All other premiums on investments are charged to the Investment Reserve in the year of acquisition.

Discounts on bonds and debentures within or equal to one percent of par value are credited to income in the year of acquisition. All other discounts on investments are amortized on a straight line basis over the remaining or renewable term and are credited to income.

Investment income is reduced annually by ¼ of 1% of the book value of investments to a maximum of the reserve not exceeding 3% of the book value of the investments and the amount of the reduction is credited to the Investment Reserve.

Differences between amounts realized from the redemption or sale of investments and their book value are reflected in the Investment Reserve.

(c) Claims recorded only include claims for a fiscal year which were processed within five months after the fiscal year end. There were no reported claims unrecorded as at April 30, 1983 and April 30, 1984.

THE PUBLIC SERVICE GROUP INSURANCE FUND

Notes to Financial Statements for the year ended April 30, 1984 (cont.)

2. Refund of prior years' interest charges:

In the year ended April 30, 1983, on a one time basis Canada Life refunded $45,509 in respect of prior years interest charges on the deficit position of the Group Life Insurance Plan Part of the Fund operating account.

3. Annual transfer:

In accordance with the terms of the Group Life Insurance Plan Part of the Policy thereon, an annual transfer is made by the Fund to the Insurer or by the Insurer to the Fund based on claims experience.

4. Maximum group life insurance:

The maximum amount of Employees' Group Life Insurance was $82,750 from June 1, 1981 to May 31, 1983 and included a 5% dividend to a maximum of $2,500. The term of the dividend of 5% was extended from June 1, 1983 to June 30, 1984, and the policy is still to be formally amended.

Effective July 1, 1984 the maximum amount of Employees' Group Life Insurance was increased to $158,025 which includes a maximum dividend of $8,025.

5. Actuarial reports:

The financial statements do not take into account actuarial valuations and, therefore, do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, a triennial actuarial valuation and report is required to be made on the status of the Fund. The actuarial report as at December 31, 1982 disclosed an actuarial surplus of $5,396,052 in the Employees' Group Life Insurance Plan Part of the Fund, an actuarial surplus of $1,964,199 in the Accidental Death and Disablement Insurance Plan Part of the Fund, and an actuarial surplus of $4,343 in the Dependents' Group Life Insurance Plan Part of the Fund.

6. Group Life and Accidental Death and Disablement Policy:

   (a) In the event of termination of the Group Life Insurance Plan Part of the Policy, the policy provides that:

      (i) the Insurance Company will pay the amount of any surplus under the Employees' Group Life Insurance Plan Part of the Policy after taking into account any surplus or deficits carried forward from prior years.

      (ii) the Policyholder will pay the amount of any deficit under the Employees' Group Life Insurance Plan Part of the Policy after taking into account any surplus or deficits carried forward from prior years.

THE PUBLIC SERVICE GROUP INSURANCE FUND

Notes to Financial Statements
for the year ended April 30, 1984 (cont.)

(b) The Accidental Death and Disablement Plan Part of the Policy provides that the Insurance Company will pay the amount of any surplus plus interest or carry forward any deficit following the expiration of the three year policy term on April 30, 1985. The policy also provides that, in the event of termination of the policy, the Insurance Company will pay the amount of any surplus or deficit carried forward from prior years and that the Insurance Company will be reimbursed for the amount of the cumulative net deficit, if any.

(c) The maximum claim charge to the Group Life and Accidental Death and Disablement Plan Part of the Policy arising from a multiple death catastrophe shall be three deaths with any remaining death claims absorbed by the Insurance Company.

7. Termination of Dependents' Group Life Policy:

In the event of termination, the policy provides that:

The Insurance Company will pay the amount of any surplus under the Dependents' Group Life Plan Policy after taking into account any surplus or deficits carried forward from prior years. The cumulative net deficit will be written off by the Insurance Company.

8. Presentation of increased benefits:

To reflect the impact of the non-contributory additional employees' group life insurance provided without additional premium (dividend), and the waiver of premium for the disabled, the Group Life Insurance Plan Part of the Fund has recorded in its accounts the calculated cost of providing additional employees group life insurance and the waiver of premiums for the disabled. These charges are reflected in Exhibit D as additions and equivalent offsetting deductions.

Manitoba

THE PUBLIC TRUSTEE OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Public Trustee of Manitoba for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of affairs of the estates and trusts under jurisdiction of the Public Trustee as at March 31, 1985 and the cash receipts and disbursements for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson
F. H. Jackson, C.A.,
Provincial Auditor.

August 29, 1985,
Winnipeg, Manitoba.

Exhibit A

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Balance Sheet of estates and trusts under administration
as at March 31, 1985
(with 1984 figures for comparison)

ASSETS

	1985	1984
Cash on hand and in bank:		
General	$ 433,247	$ 798,961
Accountable advance	1,983	4,718
	435,230	803,679
Expenditures recoverable from estates and trusts (Note 2 (a))	5,312	2,782
Common fund investments (Notes 2(b) and 7)	49,344,599	41,761,100
Term deposits, investment certificates and treasury bill, at par value	2,267,668	2,529,076
Government of Canada and other bonds, at par value	13,857,231	12,468,316
Shares of capital stock and mutual funds (Note 2(c))	1,818,683	946,067
Annuity contracts (Note 2(d))	100,441	100,023
Accounts receivable (Note 2(e))	73,302	85,003
Rentals receivable (Note 2(e))	2,053	2,524
Notes receivable, principal (Note 2(f))	110,784	105,468
Mortgages and agreements receivable (Note 2(f))	64,682	100,165
Interests in other estates (Note 2(g))	2,145	4,118
Real estate (Note 2(h))	3,140,853	3,110,780
	$ 71,222,983	$ 62,019,101

LIABILITIES

	1985	1984
Liabilities of estates:		
Public Trustee, fees payable (Note 3)	$ 14,760	$ 13,070
Government of the Province of Manitoba:		
The Public Trustee accountable advance	7,500	7,500
Estates and trusts under administration: (Note 2)		
Excess of recorded value of assets over liabilities:		
The Mental Health Act	50,229,024	42,288,783
The Public Trustee Act	20,971,699	19,709,748
	$ 71,222,983	$ 62,019,101

Exhibit B

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Statement of Receipts and Disbursements for the year ended March 31, 1985 (with 1984 figures for comparison)

RECEIPTS

	1985	1984
Funds held by estates and trusts brought under administration	$ 5,552,455	$ 4,450,756
Realization of equities in other estates	706,121	579,015
Pensions, compensation and assistance	8,354,158	7,351,622
Sickness, disability and other insurance benefits	853,955	1,931,674
Collections on account of:		
Accounts receivable	74,439	90,091
Rentals and leases receivable	312,072	230,227
Mortgages and agreements receivable	27,283	22,311
	413,794	342,629
Sale of chattels	181,325	143,312
Sale of real estate	831,986	1,069,406
Interest - bonds and investment certificates	7,071,851	6,068,906
Dividends	64,029	37,238
Bank interest	8,314	6,877
Statutory fees collected (Note 4)	11,123	20,446
Total receipts, before sale or redemption of securities	24,049,111	22,001,881
Sale or redemption of securities	21,248,996	28,793,603
Cash on hand and in bank at beginning of year	798,961	216,651
	$ 46,097,068	$ 51,012,135

Exhibit B

DISBURSEMENTS

	1985	1984
Payments on account of:		
Accounts payable discharged	$ 121,940	$ 110,075
Mortgages and agreements payable	26,081	37,147
Real estate purchases	29,855	16,045
	177,876	163,267
Maintenance:		
Maintenance incurred in hospitals prior to June 30, 1958	164,096	510,509
Board, room and other expenses (Note 5)	6,193,294	5,312,465
	6,357,390	5,822,974
Preservation of estates:		
Realty and income taxes	671,884	616,841
Insurance	26,013	24,954
Repairs	54,253	54,244
Sundry	516,362	386,229
	1,268,512	1,082,268
Support of dependents	60,259	96,988
Administration and passing of accounts (Note 3)	1,845,152	1,449,571
Burial expenses	454,334	404,590
Estates and trusts released from administration	6,195,410	4,759,105
Statutory fees remitted (Note 4)	11,123	20,446
Total disbursements, before purchase of securities	16,370,056	13,799,209
Purchase of securities	29,293,765	36,413,965
Cash on hand and in bank at end of year	433,247	798,961
	$ 46,097,068	$ 51,012,135

GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Trustee of Manitoba

Notes to Financial Statements
March 31, 1985

1. Role and Objective

The Public Trustee acts on behalf of persons affected by various disabilities, mental disorders, age and death. The Public Trustee is considered to be an appointment of last resort and therefore provides a public service, generally, where there is no competent or acceptable person available to provide the required service.

2. Significant Accounting Policies

Statement of Receipts and Disbursements

The Statement of Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

Balance Sheet

The Balance Sheet reflects the position on a modified accrual basis with the following exceptions:

A. Assets

All known assets are included in the Balance Sheet except for chattels which are accounted for in separate accounting records and accruals on investment earnings.

B. Liabilities

Liabilities are only recorded on the Balance Sheet where accounts are due to the Government of the Province of Manitoba, and in respect of mortgages, notes and agreements payable described in Note 2(i).

The net recorded value of the estates and trusts under administration is governed by the valuation criteria described on the Balance Sheet as well as the following evaluation and accounting policies:

a) Expenditures Recoverable from Estates and Trusts

Expenditures recoverable from estates and trusts represent disbursements made on behalf of estates or trusts for which funds were not immediately available; these expenditures will be charged to the estates or trusts concerned in due course when funds become available. If funds do not become available, these expenditures are recovered from the Department of the Attorney-General appropriation.

b) Common Fund Investments

Investments of the common fund, established pursuant to Section 7.1(1) of The Public Trustee Act, are restricted to securities and loans authorized under The Trustee Act. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Earnings are distributed semi-annually to the individual estates and trusts on a pro rata basis.

c) Shares of Capital Stock and Mutual Funds

(i) Mental Health and Infant Trusts

The basis of valuation of shares assumed under administration prior to December 22, 1971 is at Valuation Day prices (market value as at December 22, 1971), except shares for which no Valuation Day price exists. Shares are then recorded at cost, if available, or at a nominal value of $1.00.

Shares assumed under administration since December 22, 1971 have been recorded at the market value as at the date of assumption or at a nominal value of $1.00 where market value is not readily available.

All shares purchased by the Public Trustee are recorded at cost.

(ii) Estates of Deceased Persons

Shares forming part of estates of deceased persons assumed under administration have been recorded at the market value as at the date of death. Shares purchased by the Public Trustee are recorded at cost. Where no market value exists, nominal values of $1.00 are used.

Shares recorded at Valuation Day prices (December 22, 1971), assumed under administration since December 22, 1971, and purchased by the Public Trustee, amount to $1,818,570 (1984 - $946,025), with the balance of the account representing share certificates of a nominal value of $1.00 each.

d) Annuity Contracts

Determinable receivables amount to $100,123 at March 31, 1985 (1984 - $99,751), with the balance of the account represented by receivables recorded at a nominal value of $1.00 each.

e) **Accounts Receivable and Rentals Receivable**

Determinable accounts receivable and rentals receivable amount to $74,819 at March 31, 1985 (1984 - $87,024), with the balance of the account represented by accounts and rentals receivables recorded at a nominal value of $1.00 each.

f) **Notes, Mortgages and Agreements Receivable**

Notes receivable and mortgages and agreements receivable reflect the amount of principal and interest due and unpaid at the time each estate was brought under administration, less any payments subsequently received. Interest due and accrued during administration is not recorded by the Public Trustee until such time as it is received.

g) **Interests in Other Estates**

Determinable interest in other estates amounts to $2,092 at March 31, 1985 (1984 - $4,062), with the balance of the account represented by interest in other estates recorded at a nominal value of $1.00 each.

h) **Real Estate**

Real estate is valued at a multiple of five times the assessed value on the property tax notice and amounts to $3,140,578 at March 31, 1985 (1984 - $3,110,528); the balance of the account, represented by burial plots, mines and mineral rights and mobile homes, are recorded at a nominal value of $1.00 each.

i) **Mortgages, Notes and Agreements Payable**

Mortgages, notes and agreements payable are recorded in instances where the possibility exists that payments may be made on account of these liabilities. Interest due and accrued during administration is not recorded until it is paid.

3. Administration Fees

Under Section 10 of The Public Trustee Act, the Public Trustee may determine reasonable charges based on the services provided to the estates and trusts under his administration. Charges are made annually on the aforementioned basis to each estate and trust on its anniversary date of enrollment with the Trustee, except those estates and trusts which do not have sufficient funds, where the charges are either reduced or not made.

The Government of the Province of Manitoba requested that the total costs of the Public Trustee's Office be fully recovered by means of these administration fees. These fees are remitted to the Government of the Province of Manitoba when funds become available in each estate and trust.

4. Statutory Fees

Under Section 84(3) of The Queen's Bench Act and Section 82 of The Surrogate Courts Act, the Public Trustee of Manitoba provides legal services for estates and trusts not under his administation. Fees for these services are recorded as receipts and remitted to the Government of the Province of Manitoba.

5. Board, Room and Other Expenses

Board, room and other expenses reflect payments made for current general living expenses, including clothing, comforts, medical, nursing home costs, etc., during periods of supervision, probation and hospitalization.

6. Administration Costs

Administration costs of the Public Trustee of Manitoba are paid out of appropriations of the Department of Attorney-General and are not reflected in these financial statements. Where appropriate, these costs are recovered from estates and trusts in a manner as explained in Note 3.

7. Common Fund - Summary of Investments

The investments of the Common Fund consist of the following:

	1985 Par Value	1985 Book Value	1984 Book Value
Term deposits and investment certificates	$ 7,300,000	$ 7,304,022	$ 6,908,284
Government of Canada bonds	33,810,500	34,067,999	26,849,743
Province of Manitoba bonds	4,150,000	4,141,293	4,137,590
Province of Ontario bonds	1,900,000	1,894,129	1,892,232
Ontario Hydro-Electric bonds	500,000	542,419	1,273,251
B.C. Housing and Employment Development Financing Authority bonds	700,000	700,000	700,000
Federal Business Development Bank Euro-Canadian debentures	700,000	694,737	-
	$ 49,060,500	$ 49,344,599	$ 41,761,100

Manitoba

THE TEACHERS' RETIREMENT ALLOWANCES FUND

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedules 1 and 2, of The Teachers' Retirement Allowances Fund for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Fund as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

June 25, 1985,
Winnipeg, Manitoba.

Exhibit A

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Balance Sheet
as at December 31, 1984
(with 1983 figures for comparison)

ASSETS

	1984	1983
Investments, Schedule 1	$ 352,052,572	$ 308,703,266
Unamortized net adjustment to book value of securities sold before maturity	155,600	139,072
Accrued interest on investments	4,872,660	4,557,430
Investment income receivable	481,749	348,765
Balance of teacher and school division contributions owing by school divisions	2,414,587	2,105,519
Computer equipment, Note 1(F) at cost, less accumulated amortization: 1984 - $10,666	95,888	
Cash on hand and in bank (book overdraft)	(13,420)	345,823
	$ 360,059,636	$ 316,199,875

LIABILITIES

	1984	1983
Balance of Province of Manitoba Account	$ (115,472)	$ (98,542)
Benefit Reserves, Exhibit B:		
Reserves for teachers' share of benefits:		
Basic	329,761,020	290,480,506
Pension indexing adjustments	28,933,736	24,567,296
Reserves for employers' share of benefits:		
Manitoba Teachers' Society	1,008,717	872,380
Manitoba Association of School Trustees	94,187	77,587
	359,797,660	315,997,769
Reserve for Fund's share of employees' pension benefits (Note 1E)	377,448	300,648
	$ 360,059,636	$ 316,199,875

Exhibit B

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Statement of Changes in Benefit Reserves
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984					1983
	Reserve for Teachers' Share of Benefits		Reserve for Employers' Share of Benefits			
	Basic	Pension Indexing Adjustments	Manitoba Teachers' Society	Manitoba Association of School Trustees	Total	Total
Additions:						
Contributions:						
Teachers	$ 25,074,243	$ 4,505,815	$ --	$ --	$ 29,580,058	$ 27,557,275
Province of Manitoba						
Share of benefits charged	14,705,313	--	--	--	14,705,313	13,429,590
Re: Actuarial liability created by 1970 and 1973 amendments	1,613,300	--	--	--	1,613,300	1,613,300
Prior rural service of certain Winnipeg teachers	134,780	--	--	--	134,780	140,485
Manitoba Teachers' Society	--	--	75,384	--	75,384	59,362
Manitoba Association of School Trustees	--	--	--	7,711	7,711	11,113
Other - Transfers under reciprocal agreements	522,441	--	--	--	522,441	706,167
Total contributions	42,050,077	4,505,815	75,384	7,711	46,638,987	43,517,292
Investment Income, Schedule 2 (Note 1)	25,180,824	3,258,632	93,691	8,889	28,542,036	29,108,063
Total additions	67,230,901	7,764,447	169,075	16,600	75,181,023	72,625,355
Deductions:						
Pensions paid	25,091,545	3,398,007	32,738	--	28,522,290	25,519,403
Contributions refunded	1,980,111	--	--	--	1,980,111	2,027,408
Transfers under reciprocal agreements	218,863	--	--	--	218,863	669,885
Administrative expenses	659,868	--	--	--	659,868	549,415
Total deductions	27,950,387	3,398,007	32,738	--	31,381,132	28,766,111
Net increase for year	39,280,514	4,366,440	136,337	16,600	43,799,891	43,859,244
Balance at beginning of year	290,480,506	24,567,296	872,380	77,587	315,997,769	272,138,525
Balance at end of year, Exhibit A	$ 329,761,020	$ 28,933,736	$ 1,008,717	$ 94,187	$ 359,797,660	$ 315,997,769

Schedule 1

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investments
as at December 31, 1984

	Par Value	Book Value
Fixed income longer term investments:		
Bonds and debentures issued by, or guaranteed by, the following:		
Canada	$ 18,805,000	$ 18,552,836
Province of Alberta	165,000	164,699
Province of British Columbia	328,000	325,750
Province of Manitoba	20,874,000	20,852,011
Province of New Brunswick	965,000	961,520
Province of Newfoundland	1,150,000	1,143,625
Province of Nova Scotia	270,000	268,025
Province of Ontario	1,525,000	1,520,203
Province of Prince Edward Island	740,000	732,049
Province of Quebec	960,000	956,485
Province of Saskatchewan	350,000	348,370
Hospital Districts	6,602,000	6,575,104
Municipal corporations	10,560,956	10,524,854
School districts and divisions	20,000	19,972
Corporations	50,533,733	48,642,850
Managed bond fund	10,000,000	10,000,000
	$ 123,848,689	$ 121,588,353
Mortgages:		
Insured:		
National Housing Act (Canada)	61,518,282	62,316,063
Other	10,320,049	10,365,831
Uninsured	16,426,764	16,342,254
	$ 88,265,095	
Total fixed income longer term investments at amortized cost		210,612,501
Less: Provision for losses		1,215,682
Net fixed income longer term investments, carried forward		$ 209,396,819

Schedule 1

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investments as at December 31, 1984

	Book Value
Brought forward	$ 209,396,819
Non-fixed income investments:	
Real estate equity investments:	
Common shares	23,296,384
Participating bonds	31,503,140
Qualifying shares	10,000
Total real estate equity investments, at appraised values	54,809,524
Less: Provision for decline in appraised values	2,741,000
Net real estate equity investments	52,068,524
Direct natural resource investments:	
Shares and notes, at cost plus interest in retained earnings	7,421,494
Investment in subsidiary (Note 3)	4,386,196
Total direct natural resource investments	11,807,690
Venture capital equity investments, at cost	7,016,595
Mortgage investment corporation shares, at cost	1,612,015
Listed common shares, at market value	40,065
Canadian Commercial Bank investments (Note 1(B)(ii)):	
Common shares	1,092,981
Preferred shares	280,000
Realty Investors' Trust Units	287,883
Total non-fixed income investments	74,205,753
Short Term notes, at cost	68,450,000
Total investments, Exhibit A	$ 352,052,572

Schedule 2

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Summary of Investment Income
for the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Fixed income longer term investments:		
Interest	$ 24,086,957	$ 21,755,900
Amortization of discounts and premiums	349,255	302,160
	24,436,212	22,058,060
Less: Allocation to provision for capital losses	522,515	475,290
	23,913,697	21,582,770
Non-fixed income investments.		
Real estate equity:		
Interest and dividends	3,677,313	2,997,858
Adjustment due to changes in book value of investments	354,696	341,166
	4,032,009	3,339,024
Direct natural resource:		
Dividends	537,000	--
Adjustments due to changes in book value of investments	164,462	--
	701,462	--
Venture capital equity:		
Dividends	10,787	--
Mortgage investment corporations:		
Dividends	144,024	132,990
Canadian Commercial Bank:		
Dividends	73,164	108,000
Adjustment due to changes in book value of investments (Note 1(B)(ii))	(6,327,136)	--
	(6,253,972)	108,000
Short term notes:		
Interest	6,031,358	3,975,927
Total investment income	28,579,365	29,138,711
Less: Allocated to Reserve for Fund's share of employees' pension benefits	37,329	30,648
Net investment income, Exhibit B	$ 28,542,036	$ 29,108,063

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Notes to the Financial Statements for the year ended December 31, 1984

1. Significant Accounting Policies:

The significant accounting policies are summarized below:

(A) The Fund follows the accrual basis of accounting in all cases where the amount of the accrual is material, specifically teacher contributions and fixed investment income.

(B) The investment income measurement policies consist of:

(i) Fixed income investments:

Income on fixed income investments includes the net effect of amortization of discounts and premiums on securities held as well as amortization of book losses on bonds sold before maturity in order to acquire other securities for an increase in net yield.

One quarter of 1% of the weighted average monthly book value during the year of fixed income longer term investments is allocated to a provision for capital losses and any actual losses realized are charged against the provision.

(ii) Equity investments:

Where valuation information is available, which is considered by the Investment Committee to be reliable, equity investments are adjusted to reflect the change in their values. One-half of any unrealized appreciation is taken into income in the year and the balance is credited to the provision for valuation declines. In any year that the valuations decrease, the whole of the decrease is charged to the provision. When an investment is sold, the balance in the provision pertaining to the investment sold is transferred to income. At the end of 1984, no valuation information was available in respect of equity investments held that was considered by the Investment Committee to be sufficiently reliable to justify adjustments to recorded values, as was the case at the end of 1983. As a result of actions taken by Canadian Commercial Bank subsequent to the year end and before preparation of these statements, it was determined that the cost of the Fund's investments in the bank was significantly in excess of realizable value. Accordingly, the carried values of these securities have been written down from $7,988,000 to $1,660,864 and the book loss of $6,327,136 has been applied as a reduction in 1984 investment income.

(iii) Real estate equity investments:

The same income measurement policy that applies to the Fund's other equity investments has been adopted for real estate equity investments. The Board has recognized appraised values of the underlying properties on real estate investments for purposes of this policy. Appraisals are done by management and test verified by independent appraisers at September 30 in each year. The Fund's share of the appraisal surplus on that date is reflected in the accounts. Transactions recorded as a result of this policy were as follows:

		Added to	
	Appraisal Surplus	Investment Income	Provision for Market Declines
As at December 31, 1980	$ 6,749,000	$ 3,374,000	$ 3,375,000
Year ended December 31, 1981	7,688,000	3,844,000	3,844,000
Year ended December 31, 1982	(1,754,000)		(1,754,000)
Year ended December 31, 1983	(2,174,000)		(2,174,000)
Year ended December 31, 1984	(550,000)		(550,000)
Balances, December 31, 1984	9,959,000		$ 2,741,000
Real estate investments, cost	44,850,524		
Real estate investments, appraised value	$54,809,524		

(C) **Pension Indexing Adjustment Reserve:**

An allocation of teachers' contributions is made in accordance with the Act to the reserve. Interest is allocated to the reserve on the basis of the average rate earned by the Fund on total new fixed income investments made since establishment of the reserve.

Cost of living pension adjustment payments are calculated effective July 1 in each year and are based on the lesser of the increase in the Canadian Consumer Price Index for the preceding calendar year, or the amount, determined by an actuarial review, that could be paid without resulting in an unfunded liability in the reserve.

(D) The financial statements do not reflect the financial position of the Fund on an actuarial valuation basis. In accordance with the Act, an actuarial valuation and report is required every 3 years. Without taking into account the Province of Manitoba rate of return guarantee, the most recent actuarial report as at January 1, 1984, disclosed a surplus of $37,677,206. compared to an unfunded liability of $19,506,225. at January 1, 1981. This most recent valuation did not make allowance for the financial effect of changes required to be made as a result of amendments to The Pension Benefits Act and the Actuary advised that it is possible that all of the surplus will be required to finance the resulting increase in liabilities.

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Notes to the Financial Statements for the year ended December 31, 1984

(E) Reserve for Fund's share of employee's pension benefits:

The Fund is liable for payment of one-half of the pensions paid to its retired employees. Based on an actuarial report as at December 31, 1980, a portion of the Fund was allocated to provide for the Fund's accrued actuarial liability in this regard. An updated actuarial report as at December 31, 1983, increased the estimated liability by $23,952; this amount has been charged as administrative expenses to the current year. The updated report also provides a method of allocating further funds to the Reserve each year to recognize the annual increase in this liability. Transactions affecting the Reserve in 1984 and 1983 were as follows:

	1984	1983
Balance, beginning of year	$ 300,648	$ 255,396
Charged to Administrative expenses:		
Adjustment re Actuarial Valuation at December 31, 1983	23,952	--
Required employer contributions	18,433	17,296
Interest allocated from investment income	37,329	30,648
	380,362	303,340
Less: Fund's share of pension payments	2,914	2,692
Balance, end of year	$ 377,448	$ 300,648

(F) Computer:

Computer equipment is capitalized and is amortized on a straight line basis over five years.

2. Guarantee by the Province:

Under the Act, the Province of Manitoba guarantees that a certain rate of return which varies based on actuarial assumptions, will be earned on the assets of the Fund. Any deficiency in average annual earnings in the 3 year period following each actuarial valuation is made up by the Province; however, no payments have been required since 1975.

3. Investment in Subsidiary:

The Teachers' Retirement Resources Investment Corporation of Manitoba Inc., a wholly owned subsidiary of the Fund, was incorporated on July 13, 1983, for the purpose of participating in the energy resource sector on behalf of the Fund.

The Fund's investments shown in Schedule 1 include $4,383,128 recoverable advances provided by the Fund to the Corporation, the retained earnings of the Corporation, and an amount of $100 representing the capital stock issued by the Corporation. Net income resulting from the Corporation's operations is recognized as income of the Fund.

THE TEACHERS' RETIREMENT ALLOWANCES FUND

Notes to the Financial Statements for the year ended December 31, 1984

4. Effect of Legislative Changes:

Amendments made to The Pension Benefits Act during 1983 require changes consisting of earlier protection of pension rights, enhanced survivor benefit provisions, and other changes to be made to pension funds progressively commencing from 1984 to 1990. The actuary has made several preliminary estimates of the cost of implementing the above-mentioned changes which indicate a potential significant increase in the actuarial liabilities as at December 31, 1983 which as indicated in note 1(D) should be offset by the surplus disclosed in the most recent actuarial report. Particulars as to alternative courses of action available to effect compliance with The Pension Benefits Act have been submitted to officials of the government.

MEYERS
NORRIS
PENNY & Co.

CHARTERED ACCOUNTANTS

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PARTNERS:

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D.W.A. NORRIS, C.A.
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J.R. MORROW, C.A.
P.E.W. SAWYER, C.A.
N.F. COCHRANE, C.A.
D.H. DENNISON, C.A.
D.L. CANNONS, C.A.
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P.S. ECKERSLEY, C.A.
J.D. STEWART, C.A.
G.A. HORNE JR., C.A.
D.L. RITCHIE, C.A.

4th March 1985

The Members of the Board
Turtle Mountain Conservation District No. 4

AUDITORS' REPORT

We have examined the balance sheet of Turtle Mountain Conservation District No. 4 as at 31st December 1984 and the statements of revenue and expenditures - surplus (deficit) for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at 31st December 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Meyers Norris Penny & Co
Chartered Accountants

BRANDON KILLARNEY MOOSOMIN NEEPAWA SOURIS VIRDEN WINNIPEG

STATEMENT 1

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

BALANCE SHEET AS AT 31ST DECEMBER 1984

	1984	1983
ASSETS		
CURRENT ASSETS		
Cash	46,783	37,201
Accounts receivable - Note 2	7,549	5,158
	54,332	42,359
FIXED ASSETS - Note 3	9,009	11,898
	63,341	54,257
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	41,576	15,081
SURPLUS (DEFICIT)		
GENERAL BOARD PROGRAM - Statement 2	19,505	28,225
SUB-DISTRICT PROGRAM - Statement 3	(8,293)	4,298
EQUIPMENT PROGRAM - Statement 4	5,553	2,653
EQUIPMENT RESERVE	5,000	4,000
	21,765	39,176
	63,341	54,257

STATEMENT 2

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS

- GENERAL BOARD PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	1984	1983
REVENUE		
Municipal levies	16,867	16,867
Province of Manitoba	135,187	86,461
Soils committee	8,500	5,666
Recreation committee	47	200
Interest	977	770
	161,578	109,964
EXPENDITURES		
Administrative		
Administration - Conservation District Authority	2,677	703
Administration - general	12,458	12,130
Administration - Local	518	502
Board and committee remuneration	4,500	2,702
Depreciation - office equipment	548	549
Depreciation - support program	40	40
District Supervisor - salary	27,451	26,865
District Supervisor - expenses	3,587	4,369
	51,779	47,860
Special Programs		
Demonstration programs	115	1,603
Forage seed assistance	32,690	29,546
Gully stabilization	5,761	4,533
Land ethic committee	1,620	2,220
Moicur Nature Centre	56,000	
Public education	3,773	3,843
Recreation committee		571
Road allowance program	5,169	6,421
Rodent control	32	
Shelter Belt program	6,629	6,345
Wildlands committee	702	2,060
Wildlife Habitat improvement - uplands	2,921	2,430
Wildlife Habitat improvement - wetlands	2,107	2,723
	117,519	62,295
TOTAL EXPENDITURES	169,298	110,155
TRANSER TO EQUIPMENT RESERVE	1,000	2,000
	170,298	112,155
TRANSFER FROM SUB-DISTRICT PROGRAM		6,390
	170,298	105,765
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(8,720)	4,199
SURPLUS		
Balance - Beginning of year	28,225	24,026
Balance - End of year	19,505	28,225

STATEMENT 3

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS (DEFICIT)

SUB-DISTRICT PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	Upper Pembina #59	Waskada Creek #65
REVENUE		
Municipal levies	7,804	6,942
Province of Manitoba	31,859	8,630
Ducks Unlimited Grant		
	39,663	15,572
EXPENDITURES		
Headwater retention		
Multi-use reservoir		
Pothole consolidation		
Runway stabilization	33,102	12,328
Water quality project		
Water storage	7,995	
Transfer to general board program		
	41,097	12,328
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,434)	3,244
SURPLUS		
Balance (at deficit) - Beginning of year	3,008	302
Balance (at deficit) - End of year	1,574	3,546

STATEMENT 3

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS (DEFICIT)

SUB-DISTRICT PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

Medora Creek #66	Chain Lakes #67	Elgin Creek #68	Total 1984	Total 1983
10,410	2,792	4,627	32,575	32,575
26,252	103,125	16,644	186,510	103,347
	5,000		5,000	
36,662	110,917	21,271	224,085	135,922
	128,907		128,907	
32,815		21,529	99,774	123,663
				3,690
			7,995	8,639
				6,390
32,815	128,907	21,529	236,676	142,382
3,847	(17,990)	(258)	(12,591)	(6,460)
(2,986)	2,946	1,028	4,298	10,758
861	(15,044)	770	(8,293)	4,298

STATEMENT 4

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

STATEMENT OF REVENUE AND EXPENDITURES - SURPLUS

- EQUIPMENT PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	1984	1983
REVENUE	8,430	6,877
EXPENDITURES		
Repairs and maintenance	2,834	2,437
Depreciation	2,224	2,301
	5,058	4,738
EXCESS OF REVENUE OVER EXPENDITURES	3,372	2,139
LOSS ON DISPOSAL OF EQUIPMENT	474	
	2,898	2,139
SURPLUS		
Balance - Beginning of year	2,655	514
Balance - End of year	5,553	2,653

TURTLE MOUNTAIN CONSERVATION DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1984

NOTE 1 - ACCOUNTING POLICIES

FIXED ASSETS

Fixed assets are recorded at cost.

DEPRECIATION

Depreciation is recorded on the straight line method at the following rates:

Office equipment	15%
Program Support equipment	
- Hudson sprayer	15%
- Even-spray sprayer	10%
Field equipment - Tractor	15%
- Other	10%

NOTE 2 - ACCOUNTS RECEIVABLE

The accounts receivable are composed of the following:

	1984	1983
Trade accounts	1,698	768
Conservation District Authority of Manitoba	4,193	4,337
Municipalities	1,658	
Other		53
	7,549	5,158

NOTE 3 - FIXED ASSETS

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance Beginning Of Year	Additions	Disposals	Balance End Of Year
Fixed Assets				
Office equipment	3,671			3,671
Program support equipment	367			367
Field equipment - Tractor	12,859			12,859
- Other	3,702	1,298	2,795	2,205
	20,599	1,298	2,795	19,102
Accumulated Depreciation				
Office equipment	1,952	548		2,500
Program support equipment	100	40		140
Field equipment - Tractor	3,054	1,929		4,983
- Other	3,595	295	1,420	2,470
	8,701	2,812	1,420	10,093
Net Book Value	11,898			9,009

NOTE 4 - ADJUSTMENT OF PRIOR YEAR'S EXPENSES

During the 1984 audit it was determined that the depreciation expense for 1983 was understated by $27. The 1983 figures have been restated to reflect this increased cost;

$25	increase in General Board Program - Depreciation
25	decrease in General Board Program - Surplus
2	decrease in Equipment Program - Depreciation
2	decrease in Equipment Program - Surplus

AUDITOR'S REPORT

To the Board of Directors of the Turtle River Watershed Conservation District:

I have examined the Balance Sheet of the Turtle River Watershed Conservation District as at December 31st, 1984, and the other statements, being Exhibits "B" to "F" inclusive. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion these Financial Statements present fairly the financial position of the Organization as at December 31st, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F. D. ZAPLITNY
Chartered Accountant

DAUPHIN, Manitoba
March 25th, 1985

EXHIBIT "A"

TURTLE RIVER WATERSHED CONVERSATION DISTRICT

BALANCE SHEET
As at December 31st, 1984 and 1983

	1984	1983
ASSETS		
Current Assets -		
Cash on Hand and in Bank	$ 25,917	37,918
Accounts Receivable -		
Municipal Grants	16,623	62,475
Conservation District Authority	9,731	1,539
Miscellaneous	958	82
Total Current Assets	53,229	102,014
Fixed Assets, at Cost -		
Equipment - Administrative	912	912
Equipment - Other	472	473
Storage Yard Fence	4,863	3,707
	6,247	5,092
Less: Accumulated Depreciation	913	571
	5,334	4,521
Total	$ 58,563	106,535
LIABILITIES		
Current Liabilities -		
Accounts Payable -		
Conservation District Authority	$ 44,505	78,016
Trade	682	
Prepaid Grants		11,747
Total Current Liabilities	45,187	89,763
Watershed Accounts -		
Sub-District Program Account - Exhibit "B"	(8,789)	(3,582)
General Board Program Account - Exhibit "C"	8,717	7,400
Emergency Reserve Account - Exhibit "D"	13,788	13,200
Equipment Account - Exhibit "F"	(340)	(246)
	13,376	16,772
Total	$ 58,563	106,535

EXHIBIT "B"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF SUB-DISTRICT PROGRAM ACCOUNT

REVENUE AND EXPENDITURE
For the Years Ended December 31st, 1984 and 1983

		Sub-District 44	Sub-District 45	Sub-District 46	1984 Totals	1983 Totals
Revenue -						
Municipal Levies	$	7,112	11,688	2,799	21,599	27,761
Municipal Grants		[illegible]	28,000		49,387	73,548
Province of Manitoba Allocated Grant - Exhibit "E"		69,439	163,998	2,091	235,528	383,170
Transfers - Exhibit "D"			2,411		2,411	
		97,938	206,097	4,890	308,925	484,479
Expenditure -						
Crossing Repairs		5,389	34,086		39,475	93,965
Brush and Weed Control		10,234	11,707	2,951	24,892	66,629
Channel Maintenance		31,393			31,393	12,560
Channel Improvements		51,333			51,333	53,540
Channel Construction or Reconstruction			167,039		167,039	240,138
Structures and Culverts						29,368
		98,349	212,832	2,951	314,132	496,200
Revenue Over (Under) Expenditure		(411)	(6,735)	1,939	(5,207)	(11,721)
Add -						
Opening Balance		1,281	(5,541)	678	(3,582)	8,139
Closing Balance	$	870	(12,276)	2,617	(8,789)	(3,582)

EXHIBIT "C"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF GENERAL BOARD PROGRAM ACCOUNT

REVENUE AND EXPENDITURE
For the Years Ended December 31st, 1984 and 1983

	1984	1983
Revenue -		
Municipal Levies	$ 44,051	36,864
Province of Manitoba:		
Allocated Grant - Exhibit "E"	151,581	140,960
Interest Earned	1,855	1,159
Farmer Assistance Revenue	4,206	11,425
Career Internship Program. Grant	2,002	2,221
Summer Canada Grant	4,370	
Miscellaneous	103	85
	208,168	192,714
Expenditure -		
Administration	10,358	10,493
Remuneration	11,599	11,798
Wages and Benefits	46,916	24,434
Rent	1,065	960
Public Education and Extension	4,549	1,109
Forage Seed Assistance	31,006	70,531
Career Internship Program	2,002	2,221
Summer Student Program	4,379	
Watershed Managers Expenses	2,033	1,912
Gully Stabilization Program		5,434
Miscellaneous Bridge and Culvert Repairs	65,830	52,385
Outstanding Right of Way Payments	22,682	
Legal Fees	1,432	
	203,851	181,277
Transfer to Emergency Reserve Account Exhibit "D"	3,000	3,500
	206,851	184,777
Revenue Over (Under) Expenditure	1,317	7,937
Add -		
Opening Balance	7,400	(537)
Closing Balance - Exhibit "A"	$ 8,717	7,400

EXHIBIT "D"

TURTLE RIVER WATERSHED CONSERVATION DISTRICT

STATEMENT OF EMERGENCY RESERVE ACCOUNT
For the Years Ended December 31st, 1984 and 1983

	1984	1983
Amount at Opening	$ 13,200	9,700
Transfers from General Board Program Account - Exhibit "C"	3,000	3,500
	16,200	13,200
Transfer to Sub-District Program Account - Exhibit "B"	2,412	
Amount at Closing - Exhibit "A"	$ 13,788	13,200

EXHIBIT "E"

STATEMENT OF PROVINCE OF MANITOBA GRANT ACCOUNT
For the Years Ended December 31st, 1984 and 1983

	1984	1983
Grants Received	$ 387,109	524,130
Less -		
Allocations to Watershed Programs:		
Sub-District Program - Exhibit "B"	235,528	383,170
General Board Program - Exhibit "C"	151,581	140,960
	$ NIL	NIL

EXHIBIT "F"

STATEMENT OF EQUIPMENT ACCOUNT REVENUE AND EXPENDITURE
For the Years Ended December 31st, 1984 and 1983

	1984	1983
Equipment Revenue	$ NIL	NIL
Expenses -		
Fuel and Oil		4
Parts and Repairs		68
Miscellaneous Tools		126
Depreciation	94	95
	94	293
Revenue Over (Under) Expenditure	(94)	(293)
Amount at Opening	(246)	47
Amount at Closing	$ (340)	(246)

Manitoba

THE UNIVERSITIES GRANTS COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B and Schedule 1, of The Universities Grants Commission for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Universities Grants Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

July 4, 1985,
Winnipeg, Manitoba.

Exhibit A

THE UNIVERSITIES GRANTS COMMISSION

Balance Sheet
as at March 31, 1985
(with 1984 figures for comparison)

	1985	1984
ASSETS		
Cash on hand and in bank	$ 161,836	$ 229,167
Grants receivable from the Province of Manitoba	2,419,605	3,002,402
Amount recoverable from the Province of Manitoba	12,114	12,429
	$ 2,593,555	$ 3,243,998
LIABILITIES		
Accounts payable:		
Grants	$ 2,337,442	$ 3,044,731
Other	20,149	11,008
	2,357,591	3,055,739
Funds held in trust re: St. Boniface College	-	130,000
	2,357,591	3,185,739
The Universities Grants Fund (Note 1):		
Balance, beginning of year	58,259	1,143,708
Revenues over (under) expenditures, Exhibit B	177,705	(1,085,449)
Balance, end of year	235,964	58,259
	$ 2,593,555	$ 3,243,998

Exhibit B

THE UNIVERSITIES GRANTS COMMISSION

Statement of Operating Revenues and Expenditures for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
Revenues:		
Province of Manitoba grants:		
Revenue appropriation:		
Department of Education	$ 166,668,432	$ 160,662,975
Department of Highways	350,278	-
	167,018,710	160,662,975
Interest income	21,172	10,082
Total revenues	$ 167,039,882	$ 160,673,057
Expenditures:		
Operating and capital grants (Note 1):		
The University of Manitoba	$ 132,159,262	$ 126,343,278
The University of Winnipeg	18,099,252	21,399,601
Brandon University	12,917,800	10,639,318
St. Boniface College	2,680,220	2,526,080
	165,856,534	160,908,277
Support programs:		
Computer Network	384,486	351,061
Recoveries from the Department of Education	69,486	65,934
	315,000	285,127
Inter-Universities program in Northern Manitoba	397,959	287,250
	712,959	572,377
Administrative and other, Schedule 1	292,684	277,852
Total expenditures	166,862,177	161,758,506
Revenues over (under) expenditures, Exhibit A	$ 177,705	$ (1,085,449)

Schedule 1

THE UNIVERSITIES GRANTS COMMISSION

Schedule of Administrative and Other Expenditures for the year ended March 31, 1985 (with 1984 figures for comparison)

	1985	1984
Automobile and travelling	$ 6,626	$ 4,470
Furniture and equipment	9,921	8,309
Office rental	27,693	25,424
Post-Secondary Demand Study	-	1,421
Postage and telephone	4,437	3,936
Printing and stationery supplies	5,546	4,527
Professional fees	44,715	29,192
Remuneration of Commission members	14,080	14,377
Salaries and employee benefits	177,232	183,269
Subscriptions	1,062	962
Sundry	1,372	1,965
Total administrative and other expenditures, Exhibit B	$ 292,684	$ 277,852

THE UNIVERSITIES GRANTS COMMISSION

Notes to Financial Statements for the year ended March 31, 1985

1. Accounting Policies

The Universities Grants Commission's annual financial statements are prepared using the accrual basis of accounting except for interest on cash balances, expenditures on leasehold improvements and equipment purchases, and pension payments. Interest on cash balances is taken into account in the year that it is received. Leasehold improvements and equipment purchases are charged to expenditures in the year of acquisition. Pension payments are charged to expenditures as the payments are made under the provisions of the Manitoba Civil Service Superannuation Act.

Operating and capital grants to the Universities reflect expenditures to the Universities for their annual operations and approved capital projects. Annual operating grants are paid on a scheduled basis to meet the Universities' operating requirements; capital grants are paid after expenditures have been incurred and claimed.

In accordance with the provisions of the Civil Service Superannuation Act, the Commission contributes 50% of the pension payments made to retired employees. A provision is not made in the accounts to fund current or past service obligations of the Commission to the Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded liability for the Commission's employees amounted to $128,981 as at December 31, 1984 (1983 - $103,200).

2. Commitments

a. Capital Commitments

The Commission has approved funding for the capital projects listed below:

	Approved	Expended	Outstanding Commitments
University of Manitoba			
Earth Sciences Building	$ 11,300,000	$ 8,451,354	$ 2,848,646
Administrative Studies and Transportation Institute Building	10,800,000	350,278	10,449,722
TOTAL	$ 22,100,000	$ 8,801,632	$ 13,298,368

The outstanding commitments regarding these projects are covered by the Annual Appropriation Act which authorizes future commitments.

b. Lease Commitment

The Commission has entered a lease agreement for office premises at 530 Century Street, Winnipeg with basic rental of $17,619 per year, excluding escalation clauses as to taxes and maintenance, until June 30, 1986.

Manitoba

Office of the Provincial Auditor

THE UNIVERSITY OF MANITOBA

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements A to C and Schedules 1 to 32, of The University of Manitoba for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Manitoba as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 1 to the financial statements applied, except for capitalizing library holdings as explained in Note 1 k) to the financial statements, which has resulted in an increase in Fixed Assets and Investment in Fixed Assets by $26,268,881 in 1985, on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Provincial Auditor.

July 16, 1985,
Winnipeg, Manitoba.

STATEMENTS

The University of Manitoba
Comparative Statement of Financial Position
as at March 31, 1985 and March 31, 1984

Statement A

Assets	*1985*	*1984*	
Cash and Bank, Less Outstanding Cheques	$ 688,836	$ (1,315,598)	(1)
Marketable Investments for General Purposes (Note 1i)	16,116,500	14,699,860	(2)
Receivable from the Universities Grants Commission (Note 2)	2,036,998	1,665,734	(3)
Accounts Receivable:			
General	4,494,571	4,798,503	(4)
Research and Special	8,724,723	7,525,063	
Inventories (Note 1j)	2,320,056	2,408,152	(5)
Prepaid Expenditures	286,833	174,907	
Discount on Debentures	467,000	502,500	
	35,135,517	30,459,121	
Investments Held for Specific Purposes (Note 1i)	15,320,281	12,052,598	(2)
Funds on Deposit with The Great-West Life Assurance Company for Staff Benefits	7,879,033	6,351,431	
Fixed Assets: (Notes 1k and 3)			
Buildings and Sites	105,629,425	104,685,623	(6)
Equipment and Furnishings	99,779,957	91,053,759	
Library Holdings	26,268,881		
Construction in Progress	9,035,320	2,651,120	(7)
	240,713,583	198,390,502	
	$299,048,414	$247,253,652	

Liabilities and Fund Balances

	1985	*1984*	
Accounts Payable	$ 13,256,115	$ 8,495,568	(8)
Deferred Income	919,609	721,545	(9)
	14,175,724	9,217,113	
Lease Obligations (Note 5)		1,067,077	
Province of Manitoba — Capital Advance	4,439,939	4,595,402	
Debentures Payable: Guaranteed by the Province of Manitoba	13,278,550	17,471,129	(10)
Less: Assets on Deposit with the Province of Manitoba for Retirement of Debentures			
Cash	2,807,833	2,096,327	
Investments (Note 1i)	7,341,041	10,295,680	(2)
	3,129,676	5,079,122	
Fund Balances:			
General Fund:			
General Operating (Note 1c)	381,729	270,719	(11)
Research and Special	17,349,674	17,002,603	(12)
Specific Provisions (Note 1e)	2,537,854	2,031,502	(13)
Capital Purpose (Notes 1f and 4)	(215,592)	(717,469)	(14)
	20,053,665	18,587,355	
Staff Benefits (Note 1g)	7,879,033	6,351,431	(15)
Trust and Endowment (Note 1h)	15,759,414	14,204,750	(16)
	43,692,112	39,143,536	
Investment in Fixed Assets (Notes 1k and 3)	233,610,963	188,151,402	
	$299,048,414	$247,253,652	

APPROVED BY THE BOARD OF GOVERNORS

A. M. Runciman — Chairman of the Board of Governors

H. Austman — Vice-Chairman of the Board of Governors

(The Accompanying Notes and Schedules form an integral part of the Financial Statements.
(Schedule References are in Parentheses)

Comparative Statement of Changes in Fund Balances
for the years ended March 31, 1985 and March 31, 1984

Statement B

	General Fund			
	General Operating Fund Account (Note 1c)	*Research and Special Fund Account*	*Specific Provisions Fund Account (Note 1e)*	*Capital Purpose Fund Account (Note 1f & 4)*
Revenues and Other Additions:				
Students' Fees and Charges	$ 19,753,808	$	$	$
Contributions and Donations	22,950	12,450,847		
Investment Income	3,860,008			
Student Assessments re Debt Interest Cost	2,244			
Overhead Recovery	120,671			
Special Projects Income	65,055			
Miscellaneous Income	115,928			
Government Grants:				
Universities Grants Commission	125,825,395			6,384,200
Other		36,700,325		1,756,390
Ancillary Enterprises	15,700,983			
	165,467,042	49,151,172		8,140,590
Expenditures and Other Deductions:				
Academic	99,953,565	45,910,457		
Other Academic	8,593,676	665,213		
Libraries	8,864,190	116,561		
Student Services	2,472,826	869,377		
Administration	7,320,140	118,866		
Plant Maintenance	19,006,365	2,383		
General	876,722	115,792		
Scholarships, Bursaries and Prizes	154,354	362,480		
Interest and Miscellaneous Expenses				
re Debentures	962,358			
Capital Advance	465,284			
Appropriated for Retirement of Debentures and Capital Advance	2,000,769			
Ancillary Enterprises	15,377,579			
Capital Expenditures				8,139,785
	166,047,828	48,161,129		8,139,785
Inter-Fund Transfers	1,198,148	(642,972)		501,072
Net Revenues and Other Additions before Appropriations	617,362	347,071		501,877
Appropriated to Specific Provisions (Note 1e)	(506,352)		506,352	
Net Revenues and Other Additions	111,010	347,071	506,352	501,877
Balances Beginning of the Year	270,719	17,002,603	2,031,502	(717,469)
Balances End of the Year, Statement A	$ 381,729	$ 17,349,674	$ 2,537,854	$ (215,592)
	(11)	(12)	(13)	(14)

Staff Benefits Fund	Trust and Endowment Fund	Total Funds 1985	Total Funds 1984
(Note 1g)	(Note 1h)		
$	$	$ 19,753,808	$ 18,152,056
1,259,644	1,341,658	15,075,099	14,341,862
810,193	1,813,988	6,484,189	4,732,125
		2,244	5,113
		120,671	84,852
		65,055	198,087
	12,588	128,516	332,642
		132,209,595	125,969,336
		38,456,715	34,100,289
		15,700,983	14,672,975
2,069,837	3,168,234	227,996,875	212,589,337
		145,864,022	136,958,018
		9,258,889	11,313,724
		8,980,751	8,372,258
		3,342,203	3,042,796
	6,038	7,445,044	7,419,015
		19,008,748	18,657,170
542,235	251,056	1,785,805	1,613,890
	272,628	789,462	810,757
		962,358	1,237,996
		465,284	479,578
	27,600	2,028,369	1,611,310
		15,377,579	14,504,388
		8,139,785	3,206,404
542,235	557,322	223,448,299	209,227,304
	(1,056,248)		
1,527,602	1,554,664	4,548,576	3,362,033
1,527,602	1,554,664	4,548,576	3,362,033
6,351,431	14,204,750	39,143,536	35,781,503
$ 7,879,033	$ 15,759,414	$ 43,692,112	$ 39,143,536
(15)	(16)		

(The Accompanying Notes and Schedules form an integral part of the Financial Statements.

(Schedule references are in parenthesis)

Comparative Statement of University Investment in Fixed Assets for the years ended March 31, 1985 and March 31, 1984

Statement C

	1985	*1984*
Additions:		
Fixed Assets, Net of Disposals	$ 43,390,158	$ 18,081,980
Principal Payments on Debt Retirement Net of Discount	4,157,079	3,633,345
Appropriated for Debt Retirement		
— Province of Manitoba Capital Advance	155,463	141,170
— University Sinking Fund	1,845,303	1,444,340
	49,548,003	23,300,835
Deductions:		
Principal Payments on Debt Retirement Financed from University Sinking Fund	4,088,442	3,500,000
Net Change in the Year	45,459,561	19,800,835
Balance Beginning of the Year	188,151,402	168,350,567
Balance, End of the Year, Statement A	$233,610,963	$188,151,402

(The Accompanying Notes and Schedules form an integral part of the Financial Statements,
(Schedule references are in Parenthesis)

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

a. Revenues, Expenditures and Cost Recoveries

Revenues and expenditures are accounted for on the accrual basis, except for interest on investments and debenture debt which are accounted for on a cash basis.

The net cost of operating units is determined by deducting the external and interdepartmental revenue that they have generated, from total expenditures.

b. Fund Accounting

The University classifies resources used for various purposes into separate Fund Accounts which correspond to its major activities and objectives. The Statement of Financial Position combines the assets and liabilities of all Funds.

The University maintains its accounts with specific assets and liabilities segregated into a General Fund, a Staff Benefits Fund and a Trust and Endowment Fund. The General Fund is further divided into Fund Accounts for General Operating, Research and Special Purposes, Specific Provisions, and Capital Purposes. The Staff Benefits Fund is further divided into Fund Accounts for Benefit Improvement and Maintenance, Self-Insured Income Disability Plan, and Group Insurance Experience Refunds.

c. General Operating Fund Account

The Universities Grants Commission classifies grants paid to the University in categories for general operating, debenture interest and financing, miscellaneous capital, special capital and major capital.

All funds received or accrued by the University for general operating purposes, for the interest portion of debenture financing, and for miscellaneous and special capital expenditures are shown in the General Operating Fund Account. Funds received for the principal portion of debenture payments applicable to debt retirement are shown in the Statement of University Investment in Fixed Assets.

Major capital grants received or accrued against authorized projects are shown in the Capital Purpose Fund Account and in the Statement of University Investment in Fixed Assets.

d. Ancillary Enterprises

The University's Ancillary Enterprises are budgeted on a break-even basis. Any surpluses or deficits are included in the General Operating Fund Account. Overhead costs have been allocated to all ancillary operations.

The replacement or improvement of fixed assets of the Ancillary Enterprises is funded by an annual allocation to a Specific Provisions Fund Account for this purpose.

e. Specific Provisions Fund Account

The University creates specific provisions to guarantee future funding for the replacement or improvement of fixed assets, for parking lot improvements, for non-insured benefits and for academic staff development. Any such provisions are shown on the Statement of Changes in Fund Balances.

f. Capital Purpose Fund Account

Funds received by the University for major capital purposes are shown in the Fund Balances section of the Statement of Financial Position until they are expended and accounted for as fixed assets.

g. Staff Benefits Fund

Benefit Improvement and Maintenance:

This Fund Account provides for the unfunded liability of the University of Manitoba Pension Plan and staff benefit improvements and for other uses at the discretion of the Board of Governors after consultation with the Staff Benefits Committee. Funds received from the Great-West Life Assurance Company as experience refunds relating to the University's former pension plan are credited to this Fund Account.

Self-Insured Income Disability Plan:

This Fund Account provides for long-term disability benefit payments arising on or after June 1, 1981, for eligible staff. Subject to reserve amounts established on the basis of actuarial reviews, this Fund Account may be used at the discretion of the Board of Governors of the University.

An actuarial valuation of the plan as of March 31, 1984, completed during 1984 showed a surplus of $11,663.

University policy provides that experience refunds related to the discontinued fully insured Long Term Disability Plan be transferred to the Self-Insured Income Disability Plan as they are released by The Great-West Life Assurance Company.

Group Insurance Experience Refunds:

This Fund Account provides for the support of current and future staff benefit programs, as determined by the Board of Governors following consultation with the Staff Benefits Committee. Experience refunds from The Great-West Life Assurance Company related to the group insurance plans, excluding those related to the discontinued Long Term Disability Plan, are credited to this Fund Account.

h. Trust and Endowment Fund

The University may authorize expenditures for certain programs from the General Operating Fund Account and guarantee funding from the Trust and Endowment Fund. These authorized expenditures are paid from the General Operating Fund Account. The University may authorize a transfer from the Trust and Endowment Fund for such expenditures at the end of the fiscal year.

i. Investments

All funds available to the University are invested when it is practical to do so.

i) Short Term Investments —
Investments falling into this classification are reported at cost.

ii) Long-Term Investments —
Investments falling into this classification are reported at cost or amortized cost, as appropriate. Bonds acquired at a premium or discount of up to one point are amortized to par at date of acquisition. Amortization of other bond premiums and discounts is calculated on a straight line basis over the life of the bond.

Gains or losses from investments are recorded as trading transactions in the year of disposal, except in the case of security sales involving the reinvestment of the proceeds from the sale in a bond issue. In this case, the University carries forward any gain or loss in excess of one point for amortization over the term of the newly acquired bond.

Except where there are specific provisions to the contrary, endowment and trust funds are pooled and invested in the University Investment Trust. Investment income is distributed on a pro rata basis to each participating fund annually at March 31.

The market value of investments is disclosed as supplementary information only. Market values are not used in the determination of investment income.

j. **Inventories**

Inventories have been valued at the lower of cost or replacement cost.

k. **Capitalization**

Expenditure on land, buildings, construction in progress, furnishings, equipment and library holdings are reflected through the Comparative Statement of Changes in Fund Balances, Statement B, in the year of payment.

As a new accounting policy this year, library holdings have been capitalized at Mach 31, 1985 based on an evaluation determined as the sum of the following:

1. The volumes on hand at March 31, 1968 at an average price of net volumes added during 1968/69.
2. Total acquisition expenditures from April 1, 1968 to March 31, 1985.
3. A deduction for the value of volumes withdrawn at the weighted average price of volumes added from April 1, 1968 to March 31, 1975.
4. The current value of manuscripts and rare books.

The remaining fixed assets are capitalized at cost, except for furnishings and equipment items purchased prior to April 1, 1975, which are capitalized at appraised values.

No depreciation is charged on fixed assets.

2. **Universities Grants Commission Receivable**

The receivable from the Universities Grants Commission for miscellaneous and special capital projects is available from the Universities Grants Commission from grant allocations for the fiscal year ended March 31, 1985.

3. **Contractual Commitments**

Contractual commitments relating to construction in progress amount to $2,332,935 (1984, $1,097,355.) and are to be funded by the Universities Grants Commission.

4. **Capital Purpose Fund Account**

The negative balance of $215,592 (1984, $717,469.) in the Capital Purpose Fund Account represents costs incurred in excess of contributions received to March 31, 1985. The funding for these costs will be met from future contributions to the Centennial Capital Fund Campaign and from the surcharge for capital purposes charged to users of the University's recreation facilities.

5. **Lease Obligations**

During the current year the University was able to complete an early buy-out of the lease purchase agreement for the main-frame computer and controllers thus eliminating future lease obligation liability.

At March 31, 1985, the future commitments relating to peripheral computer equipment and software rental leases and maintenance contracts, amount to approximately $388,000 annually. The remaining term of the rental leases is two years.

6. **Pension Plan**

The University of Manitoba administers the Pension Plan (1970) under the terms of an agreement with the University of Manitoba Pension Plan Trustees. The Trustees are responsible for the custody of the Plan's assets and issue annual financial statements, which do not form part of the University's financial statements.

Audited financial statements covering the operation of the Plan for the year ended December 31, 1984 have been issued by the Trustees.

An actuarial valuation of the Plan was completed during 1984 as of December 31, 1983. The valuation reported that at that date the Plan was fully funded with no requirement for special payments.

7. **Wholly-Owned Subsidiaries**

In 1984-85 the University of Manitoba established a wholly-owned subsidiary company, *65778 Manitoba Inc.* This company in turn established a wholly-owned subsidiary, *The University of Manitoba Research and Development Corporation.*

At March 31, 1985 The University of Manitoba incurred costs of $5,402 related to the incorporation and preliminary organization of these companies and has included this amount as an account receivable. There has been no other transactions related to or by these companies at March 31, 1985.

8. **Loan Guarantee**

The University of Manitoba under a letter of Guarantee issued to the Canadian Imperial Bank of Commerce undertook to see that a loan made to the Faculty Club will be repaid by the Faculty Club within a specified time period. The outstanding balance of this loan as at March 31, 1985 is $100,000.

9. **Litigation**

The University of Manitoba is named as a defendant in litigation where action has commenced or is anticipated. The University's solicitors have reported that there are no significant contingent liabilities arising from these actions.

10. **Property Taxes**

Property taxes are not shown in the accounts of the University, as The University of Manitoba Act provides that such property is not subject to taxation. The Province of Manitoba provides the City of Winnipeg and other municipalities with grants in lieu of taxes.

11. **Pledges Receivable**

The estimated realizable value of pledges outstanding at March 31, 1985 from the University's Capital Fund Campaign is $451,761 (1984, $972,814.) These pledges are expected to be honored during the subsequent nine year period.

12. **Comparative Information**

Comparative figures for the year ended March 31, 1984, have been restated where necessary to conform with the presentation adopted for March 31, 1985.

SCHEDULES

Schedule 1 Cash and Bank, Less Outstanding Cheques

	March 31, 1985	*March 31, 1984*
General Account:		
Cash on Hand	$ 40,872	$ 38,007
The Scotiabank — Winnipeg and New York	(392,798)	(3,789,678)
The Scotiabank — Debenture Coupons Account	1,702	5,681
The Canadian Imperial Bank of Commerce — Holdback Accounts	275,848	93,402
	(74,376)	(3,652,588)
Trust Account:		
Cash on Hand	1,365	1,420
The Royal Bank of Canada — Winnipeg	599,309	2,187,655
The Canadian Imperial Bank of Commerce — Capital Fund Campaign Account	162,538	147,915
Statement A	$ 688,836	$(1,315,598)

Schedule 2 Investments

	Par Value	*Market Value*	*March 31, 1985 Book Value*	*March 31, 1984 Book Value*
Bonds and Debentures:				
Government of Canada	$ 3,387,250	$ 3,505,413	$ 3,388,359	$ 4,032,624
Provincial:				
Province of Manitoba	582,000	531,002	547,454	547,454
Other	1,749,000	1,663,860	1,753,800	1,773,100
Provincial Guaranteed:				
Province of Manitoba	9,182,000	7,178,752	6,980,748	10,000,388
Other	1,121,000	1,058,781	1,118,839	1,118,839
Municipal	233,000	219,280	233,000	241,000
School Districts				7,000
Other	2,003,000	1,837,148	2,002,916	2,646,535
	18,257,250	15,994,236	16,025,116	20,366,940
Stocks:				
No Par Value				15,419
Par Value	17,642	78,177	30,188	32,916
Savings Certificates, Term Deposits and Treasury Bills	22,878,018	22,724,847	22,722,518	16,632,863
Total Investments	$41,152,910	$38,797,260	$38,777,822	$37,048,138
Held For:				
General Purposes, Statement A	$16,272,000	$16,116,500	$16,116,500	$14,699,860
Specific Purposes, Statement A	15,301,910	15,170,530	15,320,281	12,052,598
Retirement of Debentures, Statement A	9,579,000	7,510,230	7,341,041	10,295,680
	$41,152,910	$38,797,260	$38,777,822	$37,048,138

Schedule 3 **Receivable from the Universities Grants Commission**	*March 31, 1985*	*March 31, 1984*
Major Capital Projects	$ 1,466,833	$ 1,219,411
Miscellaneous Capital	570,165	446,323
Statement A	$ 2,036,998	$ 1,665,734

Schedule 4 **Accounts Receivable — General**

Special Capital Projects	$	$ 48,443
Loans to Students and Staff	116,019	112,790
Government Agencies and Hospitals	2,666,041	2,816,482
Book Store Receivables	291,667	135,324
Accountable Advances	109,763	153,344
Payroll Recoveries	19,063	76,956
Miscellaneous	1,292,018	1,455,164
Statement A	$ 4,494,571	$ 4,798,503

Schedule 5 **Inventories**

Ancillary Enterprises:		
Book Store	$ 1,809,651	$ 1,731,222
Food Services	176,495	171,935
Stores	221,672	286,630
Departmental:		
Commercial Dairy	8,358	10,373
Printing and Publication Services	26,749	26,574
Central Instrument Services		104,697
U of M Press	77,131	76,721
Statement A	$ 2,320,056	$ 2,408,152

Schedule 6 **Capital Expenditure on Buildings and Sites**

	March 31, 1985	*March 31, 1984*
Agriculture Buildings	$ 8,573,340	$ 8,573,340
Human Ecology Building	583,722	583,722
Arts Buildings	4,334,771	4,334,771
University College	3,569,476	3,569,476
Science Buildings	18,613,381	18,613,381
Pharmacy Building	816,575	816,575
Architecture Building	1,187,365	1,187,365
Education Buildings	2,558,485	2,558,485
Engineering Buildings	5,297,894	5,297,894
Law Building	1,450,778	1,450,778
School of Art Building	1,331,103	1,331,103
School of Music Building	614,178	614,178
Physical Education Buildings	12,205,267	12,206,072
Bison Building	1,175,419	1,175,419
University Centre Building	6,661,605	6,174,825
Services Building	211,778	211,778
Library Building	5,432,457	5,432,457
Residences	7,708,587	7,703,953
Dentistry Building (Including Land)	2,624,260	2,624,260
Medicine Buildings (Including Land)	13,655,526	13,655,526
Glenlea Research Station (Including Land)	985,961	985,961
Power Generating Building	1,713,627	1,713,627
Old Power House	477,261	477,261
New Boiler	577,944	577,944
Food Science Building	517,041	517,041
Other Buildings	1,995,895	1,995,895
Track and Field Stadium Services	755,729	302,536
Statement A	$105,629,425	$104,685,623

Schedule 7 **Construction in Progress**

Earth Sciences Building	$ 8,586,160	$ 2,651,120
Admin/Transport Building	449,160	
Statement A	$ 9,035,320	$ 2,651,120

Schedule 8 **Accounts Payable**

General	$ 7,348,814	$ 3,453,341
Payroll Liabilities	5,124,938	4,535,457
Capital Projects	480,659	222,859
Province of Manitoba		
— Health and Post Secondary Education Tax Levy	211,725	216,495
— Sales Tax	89,979	67,416
Statement A	$ 13,256,115	$ 8,495,568

Schedule 9 **Deferred Income**

Government of Canada Grant	$ 624,514	$ 356,742
Province of Manitoba Grant	186,929	251,823
Other Grant Advances	6,921	30,078
Insurance Claims and Miscellaneous	101,245	82,902
Statement A	$ 919,609	$ 721,545

Schedule 10 Debentures Outstanding

	Principal Outstanding	
	March 31, 1985	*March 31, 1984*
Guaranteed as to Principal and Interest by the Government of the Province of Manitoba:		
Debentures:		
6% Series 1A Due December 1, 1984	$	$ 1,500,000
5¾% Series 1F Due April 15, 1986 (Retired 1984-85)		1,500,000
5½% Series 1G Due August 1, 1991 (Retired 1984-85)		1,000,000
5⅝% Series 1H Due October 15, 1987	2,500,000	2,500,000
5⅛% Series 1K Due June 1, and December 1, 1984		29,071
5⅛% Series 1L Due June 1, and December 1, 1985-1994	491,335	528,142
5⅛% Series 1M Due June 1, and December 1, 1984		29,071
5⅛% Series 1N Due June 1, and December 1, 1985-1994	689,215	740,845
5½% Series 1P Due December 15, 1995	3,000,000	3,000,000
5¾% Series 1Q Due February 15, 1992	5,000,000	5,000,000
7½% Series 1R Due April 15, 1984-2001	1,598,000	1,644,000
Statement A	$ 13,278,550	$ 17,471,129

Schedule 11 Changes to University General Operating Fund Account for the years ended March 31, 1985 and March 31, 1984

	1985	*1984*
Additions:		
Net Addition in the Year Transferred from Statement B	$ 111,010	$ 80,468
Net Change in the Year	111,010	80,468
Balance Beginning of the Year	270,719	190,251
Balance End of the Year, Statement B	$ 381,729	$ 270,719

Schedule 12 **Changes to Research, and Special Fund Account for the years ended March 31, 1985 and March 31, 1984**

	Balance March 31, 1984	*Additions*	*Deductions*	*Inter-Fund Transfers*	*Balance March 31, 1985*
Sponsored or Assisted Research:					
Government of Canada:					
Agriculture	$ 68,454	$ 155,100	$ 176,533	$	$ 47,021
Atomic Energy of Canada Ltd.	(7,545)	73,410	53,919	(8,876)	3,070
Social Sciences and Humanities Research Council	452,634	841,010	667,032		626,612
Central Mortgage and Housing Corporation	3,223		153		3,070
Energy Mines and Resources	13,167	36,000	37,112		12,055
Fisheries Research Board of Canada	2,721	61,822	51,533		13,010
Medical Research Council	975,509	8,423,884	8,305,441		1,093,952
Miscellaneous	936,133	4,752,935	3,295,411	(432,548)	1,961,109
National Health and Welfare	181,581	1,530,032	1,539,227		172,386
Natural Sciences and Engineering Research Council	3,381,857	8,169,801	8,468,844		3,082,814
Northern Studies	13,236	48,000	39,696		21,540
Transport	74,864	159,492	144,111		90,245
	6,095,834	24,251,486	22,779,012	(441,424)	7,126,884
Province of Manitoba:					
Agriculture	116,245	875,500	786,578		205,167
Miscellaneous	701,025	2,824,784	2,431,034	(65,533)	1,029,242
	817,270	3,700,284	3,217,612	(65,533)	1,234,409
Other:					
Business and Industry	655,882	851,438	708,563	(64,224)	734,533
Industrial Research	29,723	30,065	29,829	(3,997)	25,962
Foundations, Associations, Etc.	1,867,876	3,471,291	3,561,777	41,293	1,818,683
Individuals, Etc.	364,501	406,748	424,814	73,358	419,793
Manitoba Heart Foundation	324,626	1,479,248	1,406,538		397,336
National Cancer Institute of Canada	(77,423)	1,005,337	905,140		22,774
Special Projects	158,539	200,232	218,877	22,971	162,865
United States	579,771	558,173	710,462	(43,723)	383,759
	3,903,495	8,002,532	7,966,000	25,678	3,965,705
Subtotal	10,816,599	35,954,302	33,962,624	(481,279)	12,326,998

Schedule 12 **Changes to Research, and Special Fund Account for the years ended March 31, 1985 and March 31, 1984**

	Balance March 31, 1984	*Additions*	*Deductions*	*Inter-Fund Transfers*	*Balance March 31, 1985*
Special Funds:					
Government of Canada:					
Social Sciences and Humanities Research Council	$ 7,161	$ 44,096	$ 34,436	$	$ 16,821
Miscellaneous	931,144	3,658,708	3,726,359	(125,976)	737,517
	938,305	3,702,804	3,760,795	(125,976)	754,338
Province of Manitoba:					
Agriculture	3,464	204,635	217,193		(9,094)
Miscellaneous	436,063	4,841,116	5,203,319		73,860
	439,527	5,045,751	5,420,512		64,766
Other:					
Business and Industry	35,146	43,408	34,800		43,754
Foundations, Associations, Etc.	454,536	527,924	569,611	(19,178)	393,671
Individuals, Etc.	2,872,974	1,905,205	2,355,174	34,971	2,457,976
Special Projects	452,836	1,783,033	1,695,133	(51,510)	489,226
	3,815,492	4,259,570	4,654,718	(35,717)	3,384,627
Subtotal	5,193,324	13,008,125	13,836,025	(161,693)	4,203,731
Scholarships, Bursaries and Prizes	25,295	362,728	362,480		25,543
	16,035,218	49,325,155	48,161,129	(642,972)	16,556,272
Disbursements Pending Receipt of Funds to Cover	967,385	(173,983)			793,402
		$49,151,172	$48,161,129	$ (642,972)	
Balance End of the Year, Statement B	$17,002,603				$17,349,674

Schedule 13 Changes to Specific Provisions Fund Account for the years ended March 31, 1985 and March 31, 1984

	Ancillary Furniture and Equipment Replacement	*Parking Lot Improvements*	*Copier and Word Processor Replacement*	*Vehicle and Other Equipment Replacement*	*Printing Services Equipment Replacement*
Provided From:					
General Operating	$	$	$ 327,236	$ 36,443	$
Ancillary Enterprises	161,296	360,000			
	161,296	360,000	327,236	36,443	
Applied To:					
General Operating			89,632	69,469	14,766
Ancillary Enterprises	283,535	211,890			
	283,535	211,890	89,632	69,469	14,766
Net Change in the Year	(122,239)	148,110	237,604	(33,026)	(14,766)
Balance Beginning of the Year	254,522	359,362	471,992	95,223	59,103
Balance End of the Year, Statement B	$ 132,283	$ 507,472	$ 709,596	$ 62,197	$ 44,337

Micro Teaching Equipment Replacement	*Academic Development*	*Non-Insured Benefits*	*Total*	
			1985	*1984*
$ 50,000	$ 100,000	$ 200,000	$ 713,679	$ 1,032,680
			521,296	524,477
50,000	100,000	200,000	1,234,975	1,557,157
		59,331	233,198	290,497
			495,425	481,506
		59,331	728,623	772,003
50,000	100,000	140,669	506,352	785,154
	300,000	491,300	2,031,502	1,246,348
$ 50,000	$ 400,000	$ 631,969	$ 2,537,854	$ 2,031,502

Schedule 14 **Changes to Capital Purpose Fund Account for the years ended March 31, 1985 and March 31, 1984**

	1985	*1984*
Additions:		
Universities Grants Commission	$ 6,384,200	$ 2,523,751
Province of Manitoba	1,303,197	
Government of Canada	423,193	
City of Winnipeg	30,000	
	8,140,590	2,523,751
Deductions:		
Major Capital Expenditures		
Earth Sciences Building	5,935,040	2,523,751
Microcomputer Teaching Facility	1,303,197	
Max Bell Centre	(805)	682,653
Admin/Transport Building	449,160	
Pan-am Track	453,193	
	8,139,785	3,206,404
Inter-Fund Transfers	501,072	1,344,813
Net Change in the Year	501,877	662,160
Balance Beginning of the Year	(717,469)	(1,379,629)
Balance End of the Year, Statement B	$ (215,592)	$ (717,469)

Schedule 15 **Changes to Staff Benefits Fund**
for the years ended March 31, 1985 and March 31, 1984

	Benefit Improvement and Maintenance	*Self-Insured Income Disability Plan*	*Group Insurance Experience Refunds*	*Total* *1985*	*1984*
Additions:					
Experience Refunds (Note 1g)	$ 57,192	$	$ 633,456	$ 690,648	$ 324,263
Interest Earned for Period, Net of Management and Administrative Service Fees	203,345	177,047	429,801	810,193	549,793
Payroll Deductions and Employer Matching Contributions		568,996		568,996	506,918
	260,537	746,043	1,063,257	2,069,837	1,380,974
Deductions:					
One-Half of the Post-Retirement Adjustments for Pensioners			199,511	199,511	184,524
Miscellaneous Benefit Premium		34,811	1,772	36,583	19,171
Indemnity Payments		306,141		306,141	249,449
The University of Manitoba Pension Plan re: Unfunded Liability					220,000
		340,952	201,283	542,235	673,144
Net Change in the Year	260,537	405,091	861,974	1,527,602	707,830
Balance Beginning of Year	1,697,818	1,636,632	3,016,981	6,351,431	5,643,601
Balance End of the Year, Statement B	$ 1,958,355	$ 2,041,723	$ 3,878,955	$ 7,879,033	$ 6,351,431

Schedule 16 Changes to Trust and Endowment Fund
for the years ended March 31, 1985 and March 31, 1984

	Capital Accounts	*Current Accounts*	*Total* 1985	*Total* 1984
Additions:				
Contributions	$ 261,691	$ 1,079,967	$ 1,341,658	$ 2,719,670
Investment Income	633	1,813,355	1,813,988	1,364,973
Gain on Sale of Land				54,140
Income from Mines, Mineral Rights, etc.	10,244	2,344	12,588	61,311
Transfer from Current Accounts	301,855		301,855	48,854
	574,423	2,895,666	3,470,089	4,248,948
Deductions:				
Awards	59,196	213,432	272,628	199,619
Transfer to Capital Accounts		301,855	301,855	48,854
Appropriated for Debenture Retirement		27,600	27,600	25,800
Administration Costs	11	6,027	6,038	5,748
Benefit Premiums		88,327	88,327	83,506
Other	1,028	161,701	162,729	19,903
	60,235	798,942	859,177	383,430
Inter-Fund Transfers	113,817	(1,170,065)	(1,056,248)	(1,915,705)
Net Change in the Year	628,005	926,659	1,554,664	1,949,813
Balance Beginning of the Year	9,029,737	5,175,013	14,204,750	12,254,937
Balance End of the Year, Statement B	$ 9,657,742	$ 6,101,672	$15,759,414	$14,204,750

Schedule 17 Inter-Fund Transfers
for the years ended March 31, 1985 and March 31, 1984

	General Operating	*Research and Special*	*Capital Purpose*	*Trust and Endowment*
Scholarships, Bursaries and Prizes	$ 149,552	$	$	$ (149,552)
Chair of Icelandic Language and Literature	27,379			(27,379)
Cleft Palate Fund	40,000			(40,000)
The Ewart Chair of Constitutional Law	2,513			(2,513)
Distinguished Lecture	6,673			(6,673)
Outreach	21,092			(21,092)
Festival 85	12,000			(12,000)
Private Funding Office	86,576			(86,576)
Interest and Miscellaneous Expenditures re: Debentures	73,044			(73,044)
				(418,829)
Sponsored or Assisted Research		152,781		(152,781)
Special Funds		(16,434)		16,434
Overhead Recovery	779,319	(779,319)		
				(136,347)
Major Capital Projects:				
Max Bell Centre			501,072	(501,072)
March 31, 1985, Statement B	$ 1,198,148	$ (642,972)	$ 501,072	$(1,056,248)
March 31, 1984	$ 1,094,672	$ (523,780)	$ 1,344,813	$(1,915,705)

Schedule 18 **Students' Fees and Charges**

	March 31, 1985	*March 31, 1984*
Regular Session	$16,681,906	$15,553,467
Summer Session	1,577,487	1,348,684
Non-Credit Courses	1,344,902	1,178,637
Short Courses	149,513	71,268
Statement B	$19,753,808	$18,152,056

Schedule 19 **Investment Income (General Fund)**

Bank and Short-Term Investments	$ 2,014,704	$ 1,373,019
Sinking Fund Income for Retirement of Debentures	1,845,304	1,444,340
Statement B	$ 3,860,008	$ 2,817,359

Schedule 20 **Overhead Recovery**

Government of Canada	$ 72,694	$ 55,411
Province of Manitoba	26,986	28,266
Miscellaneous Business, Industry and Foundations	20,991	1,175
Statement B	$ 120,671	$ 84,852

Schedule 21 **Special Projects Income**

Insurance Proceeds	$ 50,927	$ 95,036
Faculty of MEdicine	8,572	
Faculty of Dentistry	5,556	
Joseph Doupe Fund		6,380
Government of Canada		43,542
City of Winnipeg		30,000
Health Sciences Centre		21,966
W. L. Wardrop & Associates		777
University of Manitoba Faculty Assoc.		386
Statement B	$ 65,055	$ 198,087

Schedule 22 **Miscellaneous Income (General Fund)**

Sale of Equipment	$ 51,530	$ 26,624
Miscellaneous	27,372	162,381
Rentals	37,026	28,186
Statement B	$ 115,928	$ 217,191

Schedule 23 **Universities Grants Commission Grants (General Operating Fund Account)**

General Operating	$121,241,879	$117,975,003
Special Grants	620,748	620,748
Miscellaneous Capital and Special Projects	3,071,941	3,691,795
Debenture Interest and Financing	890,827	1,158,039
Statement B	$125,825,395	$123,445,585

Schedule 24 **Income and Expenditure, Ancillary Enterprises for the years ended March 31, 1985 and March 31, 1984**

	Book Department	*Parking*	*Food Service*	*Residences*
Income	$ 7,250,601	$ 1,404,501	$ 5,414,761	$ 1,631,120
Expenditure:				
Salaries	1,066,437	69,872	1,967,370	818,098
Staff Benefits	92,301	6,951	131,843	71,773
Cost of Goods Sold	5,413,205		2,017,897	
Equipment, Alterations, Etc.	76,025	6,567	172,160	242,540
Supplies and Expense	462,807	1,134,256	1,031,573	595,904
	7,110,775	1,217,646	5,320,843	1,728,315
Net Income (Expenditure) Before Appropriations	139,826	186,855	93,918	(97,195)
Appropriated from (to) Specific Provisions	(22,366)	(148,110)	3,255	141,349
Net Income, 1985	$ 117,460	$ 38,745	$ 97,173	$ 44,154
Net Income, 1984	$ 59,710	$ 8,486	$ 34,310	$ 23,110

Total	
1985	*1984*
$15,700,983	$14,672,975
3,921,777	4,005,507
302,868	304,006
7,431,102	6,759,474
497,292	298,969
3,224,540	3,136,432
15,377,579	14,504,388
323,404	168,587
(25,872)	(42,971)
$ 297,532	
	$ 125,616

Schedule 25 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Administrative Studies:					
General Operating					
Dean's Office	$ 94,645	$	$ 24,188	$ 9,738	$ 8,773
General Faculty	10,844	2,556	269,430	21,232	222,588
Accounting and Finance	800,816	28,346	23,397	60,690	40,641
Actuarial and Business Mathematics	504,311	17,969	19,962	42,649	18,932
Marketing	403,346	12,325	15,761	34,519	18,989
Business Administration	836,619	26,286	19,390	68,580	24,936
Public Policy	385,776	6,611	22,311	32,603	9,009
	3,036,357	94,093	394,439	270,011	343,868
Miscellaneous Capital					
Research	41,680	62,445	160,442	17,578	104,950
Special Funds		24,843	849	520	31,623
	3,078,037	181,381	555,730	288,109	480,441
Agriculture:					
General Operating					
Dean's Office	155,221	16,820	127,126	23,568	81,878
Agricultural Economics	687,801	46,810	111,098	74,809	43,853
Agricultural Engineering	608,207	4,686	84,763	54,709	31,984
Animal Science	655,297	45,333	343,702	93,879	58,628
Commercial Dairy	424	1,375	132,878	11,973	179,974
Entomology	285,787	5,636	62,160	31,324	22,872
Farm Management			626,481	57,573	247,697
Food Science	398,972	42,964	67,620	41,648	35,775
Glenlea Research Station	77,088		15,500	7,531	46,190
Plant Science	1,218,573	10,248	782,229	177,180	93,591
School of Agriculture	188,439	30	32,768	16,092	54,607
Soil Science	448,872	7,253	158,496	50,951	37,380
	4,724,681	181,155	2,544,821	641,237	934,429
Miscellaneous Capital					
Research	446,100	1,776,868	866,329	164,210	1,230,487
Special Funds	29,260	14,717	164,574	15,753	104,381
	5,200,041	1,972,740	3,575,724	821,200	2,269,297
Architecture:					
General Operating					
Dean's Office	146,645	545	49,411	16,546	22,057
General Faculty	64,909	26,074	176,926	23,504	108,483
Architecture	466,157	545		38,116	22,098
City Planning	242,247	1,141		16,800	10,193
Environmental Studies	562,509	2,482	569	46,370	25,305
Interior Design	620,827	972		50,551	48,476
Landscape Architecture	234,291	6,763		19,447	43,321
	2,337,585	38,522	226,906	211,334	279,933
Miscellaneous Capital					
Research		14,330	2,086	301	7,784
Special Funds		2,455			1,874
	2,337,585	55,307	228,992	211,635	289,591

		Deduct — Cost Recoveries		Net Expenditure		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$	$ 137,344	$	$	$ 137,344	$ 128,633	
31,627	558,277			558,277	485,688	
10,409	964,299			964,299	1,015,904	
	603,823			603,823	486,151	
	484,940			484,940	437,734	
	975,811			975,811	1,011,571	
1,081	457,391			457,391	422,731	
43,117	4,181,885			4,181,885	3,988,412	4.9
21,972	21,972			21,972	24,658	
20,345	407,440			407,440	346,025	
51,415	109,250			109,250	32,122	
136,849	4,720,547			4,720,547	4,391,217	7.5
4,281	408,894			408,894	407,963	
28,085	992,456			992,456	952,863	
12,354	796,703			796,703	763,090	
13,745	1,210,584			1,210,584	1,201,885	
38,311	364,935	343,397	45,528	(23,990)	36,832	
1,566	409,345			409,345	385,595	
31,413	963,164	40,546	391,765	530,853	535,663	
1,995	588,974			588,974	560,285	
3,188	149,497			149,497	142,548	
24,654	2,306,475		10,187	2,296,288	2,375,164	
4,456	296,392		27,662	268,730	285,623	
9,403	712,355	120		712,235	687,733	
173,451	9,199,774	384,063	475,142	8,340,569	8,335,244	0.1
69,732	69,732			69,732	143,949	
510,486	4,994,480			4,994,480	5,771,408	
24,853	353,538			353,538	271,932	
778,522	14,617,524	384,063	475,142	13,758,319	14,522,533	(5.3)
	235,204		9,418	225,786	271,673	
10,814	410,710		31,555	379,155	351,082	
	526,916			526,916	526,009	
	270,381			270,381	247,749	
	637,235		4,140	633,095	638,241	
988	721,814		15,750	706,064	660,890	
	303,822		1,750	302,072	266,380	
11,802	3,106,082		62,613	3,043,469	2,962,024	2.7
30,863	30,863			30,863	25,943	
2,386	26,887			26,887	98,597	
	4,329			4,329	5,171	
45,051	3,168,161		62,613	3,105,548	3,091,735	0.4

Schedule 25 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Arts:					
General Operating					
Dean's Office	$ 164,373	$ 19,037	$ 285,080	$ 37,974	$ 109,448
General Faculty	756,279	5,358	220,570	53,511	154,395
Anthropology	775,514	53,709	48,397	75,957	33,930
Classics	172,735		15,014	14,836	13,609
Economics	1,272,014	53,966	63,286	118,823	56,617
English	1,794,435	97,196	61,188	161,442	82,547
Geography	819,490	42,953	90,390	80,058	52,633
German	263,970	12,602	18,352	25,259	11,607
History	1,605,767	63,002	59,616	143,518	63,002
Icelandic Language and Literature	72,577			5,686	2,996
Institute for Social and Economic Research	1,682			123	7,398
Judaic Studies	139,180	4,003	10,861	12,741	8,333
Modern Language Division		10,387	46,155	4,625	5,000
Native Studies	111,500	3,514	12,095	10,468	8,146
Philosophy	662,106	16,422	20,585	59,729	35,019
Political Studies	716,032	55,793	38,074	65,931	31,644
Psychology	2,204,244	160,675	219,363	206,650	128,214
Psychology — Service Centre	280,968	19,980	42,569	30,074	15,502
Religious Studies	324,637	16,755	18,421	28,250	14,435
Romance Languages	863,001	65,941	26,127	79,282	36,567
Slavic Studies	231,871	8,736	8,195	19,193	13,650
Sociology	1,259,268	73,179	60,370	115,377	72,557
	14,491,643	783,208	1,364,708	1,349,507	957,249
Miscellaneous Capital					
Research	156,204	423,257	239,099	37,979	261,181
Special Funds		2,915	5,417	221	21,092
	14,647,847	1,209,380	1,609,224	1,387,707	1,239,522
Centre for Ukrainian Canadian Studies:					
Director's Office	41,747		8,490	1,833	3,370
	41,747		8,490	1,833	3,370
Research	12,951	1,000		831	6,598
Special Funds					665
	54,698	1,000	8,490	2,664	10,633

		Deduct — Cost Recoveries		Net Expenditure		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$ 16.630	$ 632.542		$ 60	$ 632,482	$ 564,578	
1.142	1.191,255		62,807	1,128,448	740,210	
16,519	1,004.026			1,004,026	976,691	
3,266	219,460			219,460	215,012	
2,732	1,567,438			1,567,438	1,551,948	
19.073	2,215,881			2,215,881	2,089,523	
1,608	1.087,132			1,087,132	1,045,449	
	331,790			331,790	326,717	
493	1.935.398			1,935,398	1,782,445	
	81,259			81,259	89,005	
1,155	10,358		10	10,348	23,990	
1,873	176,991			176,991	160,394	
2,051	68.218			68,218	60,780	
	145,723			145,723	139,484	
852	794,713			794,713	786,713	
	907,474			907,474	949,271	
48,064	2,967,210			2,967,210	2,789,954	
3,436	392,529		12,014	380,515	387,820	
83	402,581			402,581	412,285	
4.158	1,075,076			1,075,076	1,016,872	
397	282,042			282,042	277,264	
18,396	1,599,147			1,599,147	1,407,748	
141,928	19,088,243		74,891	19,013,352	17,794,153	6.9
57.376	57,376			57,376	65,336	
42,658	1,160,378			1,160,378	1,363,541	
2,965	32,610			32,610	126,400	
244,927	20,338,607		74,891	20,263,716	19,349,430	4.7
	55,440			55,440	51,046	
	55,440			55,440	51,046	8.6
	21,380			21,380	27,661	
	665			665	1,785	
	77,485			77,485	80,492	(3.7)

Schedule 25 **Net Academic Faculty Expenditure by Account and Funding**

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Continuing Education Division:					
General Operating					
Director's Office	$ 589,607	$ 9,130	$ 491,052	$ 94,979	$ 196,432
Non-Credit Granting Courses	452,580	20,103	110,618	18,537	516,650
Summer School & Evening Credit Granting Courses	798,059	85,716	41,391	24,880	107,988
	1,840,246	114,949	643,061	138,396	821,070
Miscellaneous Capital					
Research		5,856	52,997	4,534	11,976
Special Funds	430,506	17,209	192,490	44,332	1,387,842
	2,270,752	138,014	888,548	187,262	2,220,888
Dentistry:					
General Operating					
Dean's Office	87,270		77,286	13,714	5,445
General Faculty	211,825	53,197	232,585	37,858	187,070
Anatomy Section	179,861		75,093	22,974	7,204
General Clinic	1,375	6,042	339,565	30,546	249,584
Medical Microbiology	39,952		26,859	5,937	1,659
Oral Biology	570,198		165,568	62,146	23,828
Pharmacology	71,963			5,622	5,563
Preventive Dental Science	362,215	8,577	104,950	39,160	19,840
Private Practice Area		171	13,122	1,550	1,299
Rehabilitative Dental Science	618,574	19,387	91,025	50,755	23,270
School of Dental Hygiene	165,262		17,166	14,193	9,819
Stomotology	461,987	4,897	72,150	42,710	18,262
	2,770,482	92,271	1,215,369	327,165	552,843
Miscellaneous Capital					
Research	78,774	68,859	328,641	37,749	192,406
Special Funds	161,662	186,487	200,226	25,747	288,940
	3,010,918	347,617	1,744,236	390,661	1,034,189
Education:					
General Operating					
Dean's Office	158,149		341,259	46,999	21,790
General Faculty	181,311	136,064	60,386	17,883	193,262
Cash Flow	65,623	4,882		2,583	1,065
Curriculum: Humanities and Social Sciences	1,149,844	5,625		83,947	41,142
Curriculum: Mathematics and Natural Sciences	963,800	17,753		76,369	35,603
Educational Administration	567,627	1,306		41,122	21,821
Educational Psychology	593,827	4,917		51,029	19,535
In-Service Teachers Program		3,350	114	101	8,644
	3,680,181	173,897	401,759	320,033	342,862
Miscellaneous Capital					
Research	13,514	55,980	69,756	6,355	54,053
Special Funds	262,603	35,692	5,511	25,564	792,770
	3,956,298	265,569	477,026	351,952	1,189,685

		Deduct — Cost Recoveries		Net Expenditure		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$ 99,230	$ 1,480,430		$ 10,000	$ 1,470,430	$ 1,354,569	
7,347	1,125,835			1,125,835	1,027,213	
13,334	1,071,368			1,071,368	1,004,217	
119,911	3,677,633		10,000	3,667,633	3,385,999	8.3
4,009	4,009			4,009		
	75,363			75,363	67,242	
35,417	2,107,796			2,107,796	1,749,848	
159,337	5,864,801		10,000	5,854,801	5,203,089	12.5
	183,715			183,715	171,970	
73,405	795,940			795,940	547,519	
1,419	286,551			286,551	266,845	
3,806	630,918		382,380	248,538	249,072	
	74,407			74,407	73,017	
2,352	824,092			824,092	764,482	
	83,148			83,148	145,895	
	534,742			534,742	530,308	
	16,142		6,813	9,329	14,590	
197	803,208			803,208	875,637	
2,171	208,611			208,611	205,997	
1,089	601,095			601,095	600,487	
84,439	5,042,569		389,193	4,653,376	4,445,819	4.7
43,967	43,967			43,967	59,946	
162,362	868,791			868,791	736,560	
18,568	881,630			881,630	922,216	
309,336	6,836,957		389,193	6,447,764	6,164,541	4.6
6,972	575,169		1,650	573,519	609,003	
53,713	642,619		41,870	600,749	608,452	
	74,153			74,153	80,111	
330	1,280,888		7,578	1,273,310	1,198,126	
2,628	1,096,153		18,671	1,077,482	1,019,545	
561	632,437		3,523	628,914	528,331	
2,780	672,088		1,723	670,365	658,620	
	12,209			12,209	10,008	
66,984	4,985,716		75,015	4,910,701	4,712,196	4.2
13,000	13,000			13,000	12,874	
8,460	208,118			208,118	99,310	
12,457	1,134,597			1,134,597	1,126,424	
100,901	6,341,431		75,015	6,266,416	5,950,804	5.3

Schedule 25 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Engineering:					
General Operating					
Dean's Office	$ 191,970	$ 20,866	$ 74,856	$ 23,647	$ 118,051
Civil Engineering	1,218,689	113,843	335,374	141,562	127,731
Electrical Engineering	1,185,096	167,541	476,072	149,971	206,651
Geological Engineering	196,149	12,697	41,143	20,142	15,731
Mechanical Engineering	1,178,186	154,369	508,628	152,377	106,168
	3,970,090	469,316	1,436,073	487,699	574,332
Miscellaneous Capital					
Research	136,169	1,254,458	139,274	48,005	828,432
Special Funds	400	4,532	2,868	440	3,161
	4,106,659	1,728,306	1,578,215	536,144	1,405,925
Fine Arts:					
General Operating					
Director's Office	1,031,663	3,816	98,826	94,559	118,596
	1,031,663	3,816	98,826	94,559	118,596
Miscellaneous Capital					
Research		630	292	10	11,607
Special Funds					3,666
	1,031,663	4,446	99,118	94,569	133,869
Graduate Studies:					
General Operating					
Dean's Office	103,446	822,486	125,911	19,972	59,539
	103,446	822,486	125,911	19,972	59,539
Miscellaneous Capital					
Research	18,686	373,783	26,856	3,832	5,260
Special Funds					
	122,132	1,196,269	152,767	23,804	64,799
Human Ecology:					
General Operating					
Dean's Office	72,261		18,953	7,856	16,247
General Faculty	85,422	34,603	83,447	13,462	60,979
Clothing and Textiles	332,138	15,165	70,478	34,632	25,403
Family Studies	375,678	14,727	37,239	35,150	19,906
Foods and Nutrition	455,765	3,985	62,957	45,454	26,879
	1,321,264	68,480	273,074	136,554	149,414
Miscellaneous Capital					
Research	2,500	55,378	56,949	5,951	73,617
Special Funds					335
	1,323,764	123,858	330,023	142,505	223,366

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$ 103,289	$ 532,679	$	$	$ 532,679	$ 370,640	
9,346	1,946,545	7,200	72,423	1,866,922	1,808,281	
111,293	2,296,624	8,200	21,400	2,267,024	2,057,135	
4,354	290,216		290	289,926	226,337	
34,648	2,134,376		4,593	2,129,783	2,042,848	
262,930	7,200,440	15,400	98,706	7,086,334	6,505,241	8.9
154,539	154,539			154,539	304,423	
1,038,767	3,445,105			3,445,105	2,770,055	
64	11,465			11,465	50,271	
1,456,300	10,811,549	15,400	98,706	10,697,443	9,629,990	11.1
	1,347,460	950	33,639	1,312,871	1,271,883	
	1,347,460	950	33,639	1,312,871	1,271,883	3.2
13,111	13,111			13,111	7,320	
	12,539			12,539	30,327	
9,034	12,700			12,700	5,410	
22,145	1,385,810	950	33,639	1,351,221	1,314,940	2.8
4,697	1,136,051		31,109	1,104,942	1,023,149	
4,697	1,136,051		31,109	1,104,942	1,023,149	8.0
4,000	4,000			4,000	7,005	
849	429,266			429,266	176,859	
650	650			650	(41)	
10,196	1,569,967		31,109	1,538,858	1,206,972	27.5
2,839	118,156		11,615	106,541	98,106	
5,710	283,623		2,710	280,913	198,268	
127	477,943		34,520	443,423	416,864	
	482,700			482,700	446,693	
	595,040		8,543	586,497	552,624	
8,676	1,957,462		57,388	1,900,074	1,712,555	10.9
39,132	39,132			39,132	53,626	
14,478	208,873			208,873	119,936	
	335			335	20,289	
62,286	2,205,802		57,388	2,148,414	1,906,406	12.7

Schedule 25 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Law:					
General Operating					
Dean's Office	$ 156,671	$ 4,048	$ 52,689	$ 17,324	$ 108,459
General Faculty	1,047,483	720	133,953	97,561	17,787
	1,204,154	4,768	186,642	114,885	126,246
Miscellaneous Capital					
Research		4,535	3,826	352	324
Special Funds			4,218	174	2,967
	1,204,154	9,303	194,686	115,411	129,537
Medicine:					
General Operating					
Dean's Office	168,406		170,180	27,619	22,656
General Faculty	342,869	24,612	395,847	44,889	397,362
Anaesthetics	357,591		65,817	41,716	18,951
Anatomy	535,463	3,175	165,620	60,048	48,411
Biochemistry	564,585	3,340	71,278	53,726	34,183
Central Animal Care			185,693	17,729	3,113
Computer — Operating			235,625	21,406	33,191
Computer — Rentals					88,581
Continuing Medical Education	46,917		66,577	10,030	4,542
Family Practice Unit	231,858	16,367	88,532	25,860	40,360
Human Genetics	77,222		38,441	8,488	13,307
Immunology	345,048		89,063	36,050	42,454
Internal Medicine	1,978,694		204,580	204,091	59,707
J. A. Hildes Northern Medical Unit	73,210	11,007	36,045	8,727	61,746
Microbiology	488,652		155,926	54,457	27,740
Obstetrics and Gynaecology	441,908	13,312	98,567	47,109	33,177
Opthalmology	56,517		19,801	2,505	2,587
Otolaryngology	84,811		15,165	8,742	3,829
Paediatrics	659,072		45,129	72,149	22,553
Pathology	412,827	54,623	80,582	42,233	37,049
Pharmacology	569,617		165,716	63,141	45,718
Physiology	667,359	56,857	250,133	91,931	73,001
Psychiatry	583,364	10,792	81,829	50,992	21,547
Radiology	96,904		19,470	6,106	5,090
School of Medical Rehabilitation	539,435		71,787	52,742	47,538
Social and Preventive Medicine	337,744	10,000	114,199	39,571	30,653
Surgery	785,247		180,868	95,823	34,737
	10,445,320	204,085	3,112,470	1,187,880	1,253,783
Miscellaneous Capital					
Research	1,264,077	3,230,087	4,587,860	537,792	4,136,783
Special Funds	513,483	1,409,108	723,827	168,494	2,512,257
	12,222,880	4,843,280	8,424,157	1,894,166	7,902,823
Music:					
General Operating					
Director's Office	649,690	135,635	54,900	61,040	135,805
	649,690	135,635	54,900	61,040	135,805
Miscellaneous Capital					
Research		2,435	2,259	111	34
	649,690	138,070	57,159	61,151	135,839

Equipment Alter., Etc.	Gross Expenditure	Deduct — Cost Recoveries Inter-Departmental Income	Deduct — Cost Recoveries Other Income	Net Expenditure March 31, 1985	Net Expenditure March 31, 1984	% Increase (Decrease)
$ 25,616	$ 364,807	$	$ 27.957	$ 336,850	$ 258,863	
	1,297,504			1,297,504	1,352,991	
25.616	1,662,311		27,957	1,634,354	1,611,854	1.4
1.874	1.874			1,874	4,520	
	9,037			9,037	21,950	
	7,359			7,359	2,041	
27,490	1.680,581		27,957	1,652,624	1,640,365	0.7
7.266	396,127			396,127	409,775	
301,184	1,506.763	51,013	29.804	1,425,946	934,303	
121	484,196			484,196	451,957	
3,336	816,053	44,284	421	771,348	766,604	
3.447	730,559			730,559	695,998	
10	206,545			206,545	206,547	
2.838	293,060	50,736	61,472	180,852	295,688	
89,721	178,302			178,302	108,996	
146	128,212			128,212	127,151	
1.479	404,456			404,456	413,770	
10.330	147,788			147,788		
3.576	516,191			516,191	498,931	
2,084	2,449,156			2,449,156	2,453,494	
353	191.088		106,432	84,656	94,028	
6,685	733,460			733,460	702,938	
477	634,550			634,550	616,071	
	81,410			81,410	85,400	
127	112,674			112,674	64,945	
	798,903			798,903	874,676	
2.277	629,591			629,591	636,240	
9.238	853,430			853,430	742,071	
19,834	1,159,115			1,159,115	1,009,527	
7.420	755,944		54,595	701,349	692,020	
	127,570			127,570	70,752	
18.627	730,129			730,129	670,380	
12.524	544,691			544,691	444,358	
2.015	1,098,690			1,098,690	1,058,319	
505.115	16,708,653	146,033	252,724	16,309,896	15,124,939	7.8
130.435	130,435			130,435	125,153	
2.143.288	15.899,887			15,899,887	13,853,940	
238.517	5,565,686			5,565,686	5,011,724	
3,017.355	38,304,661	146,033	252,724	37,905,904	34,115,756	11.1
32,640	1,069,710			1,069,710	845,872	
32,640	1,069,710			1,069,710	845,872	26.5
37,004	37,004			37,004	13,537	
	4,839			4,839	19,811	
69,644	1,111,553			1,111,553	879,220	26.4

Schedule 25 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
National Resource Institute:					
General Operating					
Director's Office	$ 163,799	$ 2,800	$ 35,545	$ 16,661	$ 15,003
	163,799	2,800	35,545	16,661	15,003
Miscellaneous Capital					
Research		56,694		1,905	42,985
Special Funds					
	163,799	59,494	35,545	18,566	57,988
Nursing Education:					
General Operating					
Director's Office	1,110,844	549	127,477	105,111	75,317
	1,110,844	549	127,477	105,111	75,317
Miscellaneous Capital					
Research		45,537	30,293	3,077	19,950
Special Funds			4,207	207	(1,047)
	1,110,844	46,086	161,977	108,395	94,220
Pharmacy:					
General Operating					
Dean's Office	531,967	9,946	145,762	56,409	86,665
	531,967	9,946	145,762	56,409	86,665
Miscellaneous Capital					
Research	10,100	43,511	30,529	3,965	77,945
Special Funds					
	542,067	53,457	176,291	60,374	164,610
Physical Education:					
General Operating					
Director's Office	651,555	20,785	99,655	65,460	152,660
	651,555	20,785	99,655	65,460	152,660
Miscellaneous Capital					
Research	3,697	15,797	60,406	3,705	14,078
Special Funds		5,000		246	10,588
	655,252	41,582	160,061	69,411	177,326

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$ 4,516	$ 238,324		$	$ 238,324	$ 228,925	
4,516	238,324			238,324	228,925	4.1
2,423	2,423			2,423	4,552	
3,997	105,581			105,581	100,700	
					1,802	
10,936	346,328			346,328	335,979	3.1
6,793	1,426,091		3,400	1,422,691	1,401,533	
6,793	1,426,091		3,400	1,422,691	1,401,533	1.5
13,806	13,806			13,806	12,117	
1,011	99,868			99,868	136,377	
	3,367			3,367	38,347	
21,610	1,543,132		3,400	1,539,732	1,588,374	(3.1)
9,673	840,422			840,422	819,760	
9,673	840,422			840,422	819,760	2.5
9,456	9,456			9,456	10,522	
119,704	285,754			285,754	144,043	
1,503	1,503			1,503	240	
140,336	1,137,135			1,137,135	974,565	16.7
49,095	1,039,210		500	1,038,710	940,723	
49,095	1,039,210		500	1,038,710	940,723	10.4
19,440	19,440			19,440	83,866	
2,500	100,183			100,183	123,302	
795	16,629			16,629	83,092	
71,830	1,175,462		500	1,174,962	1,230,983	(4.6)

Schedule 25 Net Academic Faculty Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Science:					
General Operating					
Dean's Office	$ 306,923	$	$ 82,123	$ 32,648	$ 15,780
General Faculty	79,052		266,176	35,526	250,773
Applied Mathematics	479,027	18,079	27,136	45,025	34,364
Astronomy/Planetarium		5,732	33,199	3,224	6,093
Biological Sciences		45,423	65,353	6,366	14,230
Botany	563,412	29,705	126,375	60,131	54,239
Chemistry	1,365,473	152,625	321,752	147,472	156,647
Computer Science	1,396,566	186,279	92,509	132,367	196,510
Cyclotron Laboratory		9		800	3,468
Delta Research Station	65,098	1,000	62,560	9,763	25,563
Earth Sciences	783,319	57,099	274,648	97,396	80,365
Star Lake Field Station		11,500		538	16,174
Mathematics	1,461,272	32,712	61,964	129,828	45,986
Microbiology	616,094	42,156	164,159	67,207	96,465
Physics	1,423,168	144,423	590,464	181,173	167,171
Statistics	665,631	56,954	22,653	58,856	41,605
Zoology	999,574	64,571	233,137	114,675	67,812
	10,204,609	848,267	2,424,208	1,122,995	1,273,245
Miscellaneous Capital					
Research	417,902	1,356,947	681,474	112,613	1,789,006
Special Funds	109,039	8,418	7,440	10,390	24,742
	10,731,550	2,213,632	3,113,122	1,245,998	3,086,993
Social Work:					
General Operating					
Director's Office	1,198,491	17,436	128,481	113,158	99,994
	1,198,491	17,436	128,481	113,158	99,994
Miscellaneous Capital					
Research		26,677	9,820	1,462	8,339
Special Funds	497,883	51,271	110,981	45,926	1,112,571
	1,696,374	95,384	249,282	160,546	1,220,904
Total Academic:					
General Operating	65,509,814	4,086,464	15,048,577	6,841,899	8,356,223
Miscellaneous Capital					
Total Operating	65,509,814	4,086,464	15,048,577	6,841,899	8,356,223
Research	2,602,354	8,875,064	7,349,188	992,317	8,877,795
Special Funds	2,004,836	1,762,647	1,422,608	338,014	6,298,427
	$ 70,117,004	$ 14,724,175	$ 23,820,373	$ 8,172,230	$ 23,532,445

		Deduct — Cost Recoveries		*Net Expenditure*		
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$	$ 437,474	$	$	$ 437,474	$ 330,574	
93,134	724,661		83,010	641,651	488,481	
705	604,336			604,336	589,957	
1,288	49,536			49,536	50,200	
2,640	134,012			134,012	170,895	
3,544	837,406		4,446	832,960	755,820	
13,943	2,157,912	10,799	5,274	2,141,839	2,048,037	
4,896	2,009,127			2,009,127	1,878,743	
22	4,299		208	4,091	49,453	
1,901	165,885	11,125	17,479	137,281	164,118	
8,919	1,301,746	14,454	10,525	1,276,767	1,221,340	
	28,212			28,212	26,842	
6,088	1,737,850			1,737,850	1,688,187	
5,058	991,139			991,139	976,217	
10,617	2,517,016	109,560	17,073	2,390,383	1,947,624	
5,298	850,997	3,825	2,090	845,082	800,668	
9,780	1,489,549			1,489,549	1,395,926	
167,833	16,041,157	149,763	140,105	15,751,289	14,583,082	8.0
156,000	156,000			156,000	232,174	
845,850	5,203,792			5,203,792	5,665,457	
1,521	161,550			161,550	210,979	
1,171,204	21,562,499	149,763	140,105	21,272,631	20,691,692	2.8
14,020	1,571,580		20,696	1,550,884	1,550,127	
14,020	1,571,580		20,696	1,550,884	1,550,127	.0
4,500	4,500			4,500	1,918	
	46,298			46,298	12,220	
72,307	1,890,939			1,890,939	1,124,670	
90,827	3,513,317		20,696	3,492,621	2,688,935	29.9
1,733,236	101,576,213	696,209	1,753,078	99,126,926	93,294,536	6.3
826,639	826,639			826,639	1,193,439	
2,559,875	102,402,852	696,209	1,753,078	99,953,565	94,487,975	5.8
4,917,141	33,613,859			33,613,859	31,685,321	
470,066	12,296,598			12,296,598	10,784,722	
$ 7,947,082	$148,313,309	$ 696,209	$ 1,753,078	$145,864,022	$136,958,018	6.5

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Schedule 26 Net Other Academic Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
Academic Review Program:					
General Operating	$	$	$ 1,060	$ 13	$ 2,046
			1,060	13	2,046
Central Breeding Facility:					
General Operating			50,099	5,022	69,424
			50,099	5,022	69,424
Computer Services:					
General Operating					
Computer Centre			1,741,239	143,195	405,768
Administrative Data Centre			808,909	69,664	12,179
Rentals					14,194
			2,550,148	212,859	432,141
Miscellaneous Capital					
Special Funds			235,622	13,796	160,310
			2,785,770	226,655	592,451
Instructional Media:					
General Operating					
Director's Office		140	1,144,905	97,425	250,856
		140	1,144,905	97,425	250,856
Miscellaneous Capital					
		140	1,144,905	97,425	250,856
Micro Computer Centre:					
General Operating	13,551			972	1,291
	13,551			972	1,291
Research Promotion:					
Operating	28,441		19,814	2,641	12,045
	28,441		19,814	2,641	12,045
Research		9,374	1,794	398	7,199
	28,441	9,374	21,608	3,039	19,244
Research Board:					
General Operating					
Research Grants		1,604			5,270
Research Board	3,444	43,584	5,207		52,695
Interdisciplinary Grants					2,510
Operating Expenses				2,977	5,766
	3,444	45,188	5,207	2,977	66,241
Research	1,614	20,416	2,439		24,714
	5,058	65,604	7,646	2,977	90,955
Staff Development Program:					
General Operating					13,896
					13,896

		Deduct — Cost Recoveries		*Net*	*Net*	
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$	$ 3,119	$	$ 7,508	$ (4,389)	$	
	3,119		7,508	(4,389)		
4,644	129,189	19,763		109,426	32,139	
4,644	129,189	19,763		109,426	32,139	
142,807	2,433,009	47,870	330,390	2,054,749	2,092,313	
	890,752			890,752	902,237	
3,152,855	3,167,049			3,167,049	5,319,453	
3,295,662	6,490,810	47,870	330,390	6,112,550	8,314,003	(25.5)
16,007	16,007			16,007	19,608	
60,704	470,432			470,432	281,019	
3,372,373	6,977,249	47,870	330,390	6,598,989	8,614,630	(23.4)
173,293	1,666,619	224,990	56,593	1,385,036	1,304,574	
173,293	1,666,619	224,990	56,593	1,385,036	1,304,574	6.2
116,597	116,597			116,597	130,640	
289,890	1,783,216	224,990	56,593	1,501,633	1,435,214	4.6
	15,814			15,814		
	15,814			15,814		
10,797	73,738			73,738	91,583	
10,797	73,738			73,738	91,583	
12	18,777			18,777	83,447	
10,809	92,515			92,515	175,030	(47.1)
	6,874			6,874	148,299	
45,579	150,509			150,509	2,050	
	2,510			2,510		
557	9,300			9,300	18,931	
46,136	169,193			169,193	169,280	(0.1)
21,351	70,534			70,534	297,073	
67,487	239,727			239,727	466,353	(48.6)
690	14,586			14,586		
690	14,586			14,586		

Schedule 26 Net Other Academic Expenditure by Account and Funding

	Salaries and Wages Academic	*Salaries and Wages* Special Academic	*Salaries and Wages* Support	Staff Benefits	Supplies and Expenses
Transport Institute:					
General Operating					
Director's Office	$	$	$ 30	$ 1	$ 8,982
			30	1	8,982
Research	24,571	11,940	13,894	4,247	17,084
	24,571	11,940	13,924	4,248	26,066
Colleges:					
General Operating					
Warden's Office — St. John's College	66,942		136,440	18,086	20,902
Rector's Office — St. Paul's College	25,727		115,698	12,162	31,585
Provost's Office — University College	23,379		75,030	9,279	20,748
	116,048		327,168	39,527	73,235
Miscellaneous Capital					
Special Funds			18,415	891	3,107
	116,048		345,583	40,418	76,342
Total Other Academic:					
General Operating	$ 161,484	$ 45,328	$ 4,098,431	$ 361,437	$ 930,157
Miscellaneous Capital					
Total Operating	161,484	45,328	4,098,431	361,437	930,157
Research	26,185	41,730	18,127	4,645	48,997
Special Funds			254,037	14,687	163,417
	$ 187,669	$ 87,058	$ 4,370,595	$ 380,769	$ 1,142,571

Schedule 27 Net Library Expenditure by Account and Funding

Libraries:					
General Operating					
Dafoe Library	$ 1,654,920	$	$ 2,490,632	$ 372,814	$ 2,204,679
Dental Library	54,119		63,551	9,387	51,440
Law Library	109,125		219,426	29,082	297,406
Medical Library	169,672		296,538	40,585	394,022
St. John's College Library	39,941		32,879	5,979	24,928
St. Paul's College Library	43,205		59,566	6,983	33,953
	2,070,982		3,162,592	464,830	3,006,428
Miscellaneous Capital					
Total Operating	2,070,982		3,162,592	464,830	3,006,428
Research		5,954	8,935	473	35,816
Special Funds	28,678		1,669	2,483	32,553
	$ 2,099,660	$ 5,954	$ 3,173,196	$ 467,786	$ 3,074,797

		Deduct — Cost Recoveries		Net	Net	
Equipment Alter., Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1985	March 31, 1984	% Increase (Decrease)
$ 25,242	$ 34,255	$	$	$ 34,255	$	
25,242	34,255			34,255		
11,321	83,057			83,057		
36,563	117,312			117,312		
	242,370		11,110	231,260	232,047	
9,938	195,110			195,110	227,251	
4,287	132,723	19,270	2,094	111,359	105,689	
14,225	570,203	19,270	13,204	537,729	564,987	(4.8)
13,134	13,134			13,134		
	22,413			22,413	25,371	
27,359	605,750	19,270	13,204	573,276	590,358	(2.9)
$ 3,570,689	$ 9,167,526	$ 311,893	$ 407,695	$ 8,447,938	$10,476,566	(19.4)
145,738	145,738			145,738	150,248	
3,716,427	9,313,264	311,893	407,695	8,593,676	10,626,814	(19.1)
32,684	172,368			172,368	380,520	
60,704	492,845			492,845	306,390	
$ 3,809,815	$ 9,978,477	$ 311,893	$ 407,695	$ 9,258,889	$11,313,724	(18.2)

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$ 188,014	$ 6,911,059	$ 1,653	$ 41,637	$ 6,867,769	$ 6,425,315	
67	178,564			178,564	167,470	
	655,039			655,039	594,040	
1,993	902,810			902,810	824,171	
	103,727			103,727	94,565	
	143,707			143,707	141,746	
190,074	8,894,906	1,653	41,637	8,851,616	8,247,307	7.3
12,574	12,574			12,574	20,000	
202,648	8,907,480	1,653	41,637	8,864,190	8,267,307	7.2
	51,178			51,178	34,871	
	65,383			65,383	70,080	
$ 202,648	$ 9,024,041	$ 1,653	$ 41,637	$ 8,980,751	$ 8,372,258	7.3

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Schedule 28 Net Student Services Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
General Operating					
Alumni Association	$	$	$ 73,305	$ 6,642	$ 24,497
Chaplain's Office					3,595
Counselling Services	442,305	400	44,512	41,726	28,993
Special Programming	66,291	8,078	95,641	13,455	35,844
Native Student Advisor			17,028	1,599	1,274
Recreation and Athletics	333,051	26,044	805,803	79,346	870,125
Student Awards Office	58,612		130,969	16,449	12,399
Student Health Services			258,226	22,037	21,859
Student Housing and Conference Services			92,159	7,816	15,518
International Centre for Students	16,834		21,734	3,714	7,449
Unibus					386
U.M.S.U. Special Projects					12,000
University Centre Commission					50,176
	917,093	34,522	1,539,377	192,784	1,084,115
Miscellaneous Capital					
Total Operating	917,093	34,522	1,539,377	192,784	1,084,115
Research					58,920
Special Funds	99,192	1,588	36,240	11,060	662,377
	$ 1,016,285	$ 36,110	$ 1,575,617	$ 203,844	$ 1,805,412

Schedule 29 Net Administration Expenditure by Account and Funding

General Operating					
President and Vice-Presidents' Offices	$ 655,865	$ 1,425	$ 667,326	$ 111,160	$ 460,205
Admissions Office			449,852	37,533	96,661
Board of Governors			83,946	7,472	22,227
Communications			30,190	2,651	5,693
Comptroller's Office			1,701,389	147,430	216,858
Employee Relations and Personnel		13	730,446	66,299	72,316
Institutional Analysis			185,974	15,379	22,212
Internal Audit			121,953	10,470	13,324
Legal Fees					147,961
Office Machine Service			126,580	11,646	91,979
Planning Office			89,855	9,786	8,063
Printing and Publications Services			520,528	49,635	468,225
Senate Secretariat			94,156	9,455	13,222
Student Records Office			589,269	49,196	170,399
Staff Benefits Office			147,693	13,055	63,704
University Relations and Information			89,289	7,066	183,666
	655,865	1,438	5,628,446	548,233	2,056,715
Miscellaneous Capital					
Total Operating	655,865	1,438	5,628,446	548,233	2,056,715
Research		15,115	9,577	1,049	37,392
Special Funds				-	55,000
	$ 655,865	$ 16,553	$ 5,638,023	$ 549,282	$ 2,149,107

		Deduct — Cost Recoveries		Net	Net	
Equipment Alter., Etc.	Gross Expenditure	Inter-Departmental Income	Other Income	March 31, 1985	March 31, 1984	% Increase (Decrease)
$ 1,795	$ 106,239		$	$ 106,239	$ 100,077	
	3,595			3,595	2,488	
10,988	568,924		6,078	562,846	559,242	
6,989	226,298		34,950	191,348	124,787	
	19,901			19,901	18,889	
177,381	2,291,750		1,405,341	886,409	618,081	
9,462	227,891			227,891	217,488	
	302,122		49,224	252,898	274,811	
5,907	121,400		30,000	91,400	84,088	
	49,731			49,731	42,565	
	386		157	229	28,628	
	12,000			12,000	12,000	
	50,176			50,176	50,176	
212,522	3,980,413		1,525,750	2,454,663	2,133,320	15.1
18,163	18,163			18,163		
230,685	3,998,576		1,525,750	2,472,826	2,133,320	15.9
	58,920			58,920		
	810,457			810,457	909,476	
$ 230,685	$ 4,867,953		$ 1,525,750	$ 3,342,203	$ 3,042,796	9.8

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$ 69,391	$ 1,965,372	$ 144,399	$ 9,075	$ 1,811,898	$ 1,804,376	
22,646	606,692			606,692	607,768	
3,500	117,145			117,145	111,188	
12,661	51,195	13,988		37,207	(9,485)	
40,257	2,105,934	790	19,267	2,085,877	2,024,846	
19,733	888,807			888,807	856,558	
17,071	240,636			240,636	236,793	
9,190	154,937			154,937	140,538	
	147,961			147,961	97,472	
188,519	418,724	542,492		(123,768)	(42,629)	
2,426	110,130			110,130	112,260	
124,813	1,163,201	849,505	316,367	(2,671)	2,039	
6,787	123,620			123,620	114,874	
28,509	837,373		67,015	770,358	776,082	
4,090	228,542		107,844	120,698	117,947	
1,939	281,960	105,573	7,285	169,102	189,864	
551,532	9,442,229	1,656,747	526,853	7,258,629	7,140,491	1.7
61,511	61,511			61,511	217,492	
613,043	9,503,740	1,656,747	526,853	7,320,140	7,357,983	(0.5)
733	63,866			63,866	21,509	
	55,000			55,000	33,776	
$ 613,776	$ 9,622,606	$ 1,656,747	$ 526,853	$ 7,439,006	$ 7,413,268	0.3

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Schedule 30 Net Physical Plant and Energy Management Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
General Operating					
Central Instrument Services			$ 23,390	$ 2,171	$ 4,839
Insurance					305,687
Operations and Maintenance:					
Energy Management			2,844,980	253,119	418,757
Engineering and Construction			63,730	5,465	(1,780)
Physical Plant and Safety			1,136,204	105,904	121,061
Buildings and Grounds			4,107,434	403,872	247,167
Post Office and Mail Service			217,402	19,155	613,437
Security			574,147	51,806	29,275
Utilities:					
Colleges					164,600
Energy Conservation			25,032	1,018	76,990
Fuel — Fort Garry					2,405,440
Fuel — Medical and Dental					916,163
Light, Power and Water					3,259,847
Telephone			38,401	3,949	1,180,180
Vehicle Fleet					36,478
Workers Compensation					122,824
			9,030,720	846,459	9,900,965
Miscellaneous Capital and Special Projects					
Total Operating			9,030,720	846,459	9,900,965
Research			3,066	354	(987)
Special Funds					(50)
			$ 9,033,786	$ 846,813	$ 9,899,928

		Deduct — Cost Recoveries		*Net*	*Net*	
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$ 18	$ 30,418	$ 7,657	$ 1,893	$ 20,868	$ 154,273	
27,266	332,953			332,953	294,694	
1,416,603	4,933,459	36,989	143,068	4,753,402	3,634,102	
	67,415			67,415	125,174	
61,693	1,424,862	2,849	20,207	1,401,806	1,277,248	
104,766	4,863,239	107,005	199,358	4,556,876	4,378,086	
9,055	859,049	595,320	31,621	232,108	224,169	
127	655,355	500,000		155,355	193,800	
	164,600		41,739	122,861	69,573	
13,755	116,795			116,795	122,131	
	2,405,440	159,904	824,881	1,420,655	1,335,193	
	916,163		13,950	902,213	876,806	
	3,259,847	52,464	452,591	2,754,792	2,768,154	
	1,222,530	1,211,308	8,058	3,164	16,356	
36,603	73,081	75,660		(2,579)	26,959	
	122,824		39,772	83,052	69,971	
1,669,886	21,448,030	2,749,156	1,777,138	16,921,736	15,566,689	8.7
2,084,629	2,084,629			2,084,629	2,588,404	
3,754,515	23,532,659	2,749,156	1,777,138	19,006,365	18,155,093	4.7
	2,433			2,433		
	(50)			(50)	502,077	
$ 3,754,515	$23,535,042	$2,749,156	$ 1,777,138	$19,008,748	$18,657,170	1.9

Schedule 31 Net General Expenditure by Account and Funding

	Salaries and Wages				
	Academic	*Special Academic*	*Support*	*Staff Benefits*	*Supplies and Expenses*
General Operating					
Calendars	$	$	$	$	$ 56,453
Convocation			47,610	4,068	96,219
Handicapped Transport					569
Miscellaneous					3,000
Mosaic	3,600	120	30,361	2,919	16,695
Ombudsman			73,930	6,302	5,237
Outreach Programmes		3,035	3,566	261	14,615
Playcare Centre			12,254	582	183
Private Funding			71,267	5,346	9,963
Retiring Allowances				105,913	
Rentals					
Supplementary Pensions				621,706	
University of Manitoba Press			46,562	3,721	3,977
United Appeal			2,853	132	752
	3,600	3,155	288,403	750,950	207,663
Miscellaneous Capital					
Total Operating	3,600	3,155	288,403	750,950	207,663
Special Funds			20,865	948	81,322
	$ 3,600	$ 3,155	$ 309,268	$ 751,898	$ 288,985

Total Schedules 25 to 31:					
General Operating	$ 69,318,838	$ 4,170,907	$ 38,796,546	$ 10,006,592	$ 25,542,266
Miscellaneous Capital and Special Projects					
Total Operating	69,318,838	4,170,907	38,796,546	10,006,592	25,542,266
Research	2,628,539	8,937,863	7,388,893	998,838	9,057,933
Special Funds	2,132,706	1,764,235	1,735,419	367,192	7,293,046
	$ 74,080,083	$ 14,873,005	$ 47,920,858	$ 11,372,622	$ 41,893,245

		Deduct — Cost Recoveries		*Net*	*Net*	
Equipment Alter., Etc.	*Gross Expenditure*	*Inter-Departmental Income*	*Other Income*	*March 31, 1985*	*March 31, 1984*	*% Increase (Decrease)*
$	$ 56,453		$ 4,931	$ 51,522	$ 46,184	
	147,897		968	146,929	186,466	
52	621			621	892	
5,466	8,466			8,466	4,809	
	53,695			53,695	57,207	
3,232	88,701		990	87,711	65,937	
	21,477			21,477	23,306	
	13,019		6,944	6,075		
	86,576			86,576	79,074	
	105,913		10,770	95,143	59,211	
44,099	44,099			44,099	12,239	
	621,706		432,965	188,741	173,260	
	54,260			54,260	58,645	
	3,737			3,737	2,748	
52,849	1,306,620		457,568	849,052	769,978	10.3
27,670	27,670			27,670		
80,519	1,334,290		457,568	876,722	769,978	13.9
12,657	115,792			115,792	67,358	
$ 93,176	$ 1,450,082		$ 457,568	$ 992,514	$ 837,336	18.5

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$ 7,980,788	$155,815,937	$ 5,415,658	$ 6,489,719	$143,910,560	$137,628,887	4.6
3,176,924	3,176,924			3,176,924	4,169,583	
11,157,712	158,992,861	5,415,658	6,489,719	147,087,484	141,798,470	3.7
4,950,558	33,962,624			33,962,624	32,122,221	
543,427	13,836,025			13,836,025	12,673,879	
$ 16,651,697	$206,791,510	$ 5,415,658	6,489,719	$194,886,133	$186,594,570	4.4

Schedule 32 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Dr. John E. Abra Fund	$ 5,000	$ 840	$ 5,840
Dr. John Earl Abra Scholarship in Orthodontics	2,992	379	3,371
Agriculture and Home Economics Loan Fund	2,828	13,120	15,948
Agriculture Engineering Scholarship		1,278	1,278
Agriculture Faculty Awards	7,640	967	8,607
Sir James Aikins Fund	12,502	1,635	14,137
Aaron Akman Scholarship Fund	5,057	671	5,728
Alberta Award — Admin. Studies		427	427
Dr. Frank Allen Medal Fund	2,057	258	2,315
Anatomical Research Fund	59,169	19,018	78,187
Clara Kemila Anderson Memorial Fund	5,198	668	5,866
Arthur Andersen & Co. Fellowship		9,021	9,021
Frances J. Anderson Trust Fund	24,857	3,202	28,059
T. A. (Stoney) Anderson Gold Medal	700	110	810
Architecture Endowment Fund		54,234	54,234
Armed Forces Memorial Award	6,498	1,003	7,501
The Henry Percy Armes Memorial Lectures Fund	12,000	6,581	18,581
Doreen Ash Memorial Prize	1,335	179	1,514
Association of Professional Engineers of Manitoba Fund	10,000	5,345	15,345
The Charles Lorraine Atkinson Fund	36,000	5,547	41,547
The A. J. Averbach Memorial Prize	1,000	128	1,128
Back to the Land Assistance Association Prize	11,913	1,584	13,497
Rose Dora Baru Prize in Judaic Studies	1,488	189	1,677
Emma J. Bates Memorial Fund	9,441	1,439	10,880
Michael Beach Memorial Fund	3,097	799	3,896
Ed and Evelyn Bell Bursary	2,289	288	2,577
C. K. Bell Memorial Fund	1,111	186	1,297
L. Nian Bellan Memorial Scholarship Fund		827	827
The Caroline Berbrayer Scholarship Fund	23,495	3,052	26,547
The Edith Rose Berger Scholarship in Judaic Studies	3,117	422	3,539
Estate of Harry Berger	3,184	421	3,605
Rozelle Berger Bursary	4,000	320	4,320
Norman S. Bergman Bursary	829	172	1,001
Emil Bernier Memorial Bursary Fund		119	119
Charles Biesick Memorial Bursary	2,445	173	2,618
Mr. and Mrs. J. Billinkoff Bursary		125	125
Bison Foundation	7,423	4,687	12,110
The Olafur Bjornson Prize	829	107	936
Lt. James Wallace Black Memorial Award	1,485	190	1,675
Cecil Black Memorial Law Bursary	2,000	81	2,081
Cecil Black Memorial Prize in Current Legal Problems	1,500	60	1,560
Cecil Black Memorial Prize in Estate Planning	1,500	60	1,560
Dr. William Bloom Prize Fund	985	126	1,111
The Jack Blumberg Memorial Prize	1,024	131	1,155
Boise Cascade Scholarship	17,122	1,451	18,573
Dorothy M. Bolton Scholarship Fund	2,424	302	2,726
The Ethel Louise (Armstrong and John Esterbrook) Botterell Fund	4,284	151	4,435
Botany Dalgarno Distinguished Visitor Award		16,504	16,504
Dr. Manly Bowles Scholarship	3,063	401	3,464
Dr. George A. Brass Scholarship Fund	9,673	6,924	16,597
Aaron Bricker Memorial Scholarship Fund	2,000	174	2,174
Bristol Aerospace Limited — M. Murray Auld Bursary	1,500	191	1,691
Alan Bronfman Family Scholarship	35,830	4,715	40,545
The Rosa Brook Scholarship Fund	3,150	412	3,562
The Israel Brotman Memorial Bursary	2,437	613	3,050
Helen Broughton Prize	1,715	209	1,924
Estate of Dora M. Brown		18,944	18,944
Neil Kay Brown Memorial Bursary	5,287	701	5,988

Schedule 32 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Richard Brown Memorial Bursary	$ 2,421	$ 317	$ 2,738
George Brownell Memorial Award Fund	15,898	2,057	17,955
Robert Bruce Memorial Fund	3,462	437	3,899
Dr. Michael Bruser Memorial Bursary	6,974	917	7,891
Dr. Michael Bruser Memorial Fund	7,156	1,463	8,619
Nathan S. Bubbis Memorial Bursary	12,579	1,642	14,221
The Manley Burshtein Memorial Bursary in Medicine	8,928	1,195	10,123
Estate of Sarah F. Burshtein	6,163	1,032	7,195
Dr. L. W. Caldbick Scholarship	2,094	273	2,367
James H. Cameron Scholarship	10,955	1,428	12,383
Janet Ian Cameron Memorial Bursary	1,599	575	2,174
The Caminetsky Prize in Pharmacology and Therapeutics		837	837
Dr. and Mrs. Ralph Campbell Outreach Award	1,428	616	2,044
Dr. William F. Campbell Scholarship in Orthodontics	3,724	487	4,211
Dr. Peter Cansfield Memorial Fund	1,232	194	1,426
Canada Northlands Development Award	6,202	809	7,011
Patricia Card Memorial Bursary	2,239	190	2,429
E. V. Caton Memorial Scholarship	3,230	808	4,038
Chair of Icelandic Language and Literature	217,934		217,934
Chairman of the Board, Special Opportunity Trust Fund	500	244	744
The Chancellor's Prize Fund	3,184	409	3,593
Muriel Brooks Childerhose Memorial Scholarship	2,503	330	2,833
Alice M. Chisholm Bursaries	5,709	748	6,457
Charles Gray Chown Scholarship Fund	338,400	154,203	492,603
Dr. H. H. Chown Prize Fund	6,708	1,129	7,837
W. J. Christie Memorial Bursary	8,812	1,128	9,940
A. J. Christie Prize	3,105	505	3,610
Colonel Edward Churchill Prize	1,599	203	1,802
Estate of Nancy Hetti Clark		6,182	6,182
Maurice Chusid Memorial Bursary	4,439	580	5,019
Class of Arts and Science '30 Prize	638	82	720
Dr. John W. Clay Medal Fund	1,296	164	1,460
John W. Clay Scholarship Fund	8,566	3,847	12,413
Cleft Palate Fund	16,103	2,395	18,498
Harold R. Coish Memorial Scholarship	7,500	562	8,062
Anne Cohen Memorial Bursary	11,024	2,371	13,395
Benjamin Cohen Scholarship	3,324	433	3,757
Sara and Moses Cohen Prize in Law	1,222	156	1,378
Dr. E. N. Cole Memorial Fund	2,803	359	3,162
College of Physicians and Surgeons Loan Fund	20,440	10,822	31,262
Roma Collins Memorial Fund		1,156	1,156
Commerce Students Fund for Physical Facilities	46,214	8,235	54,449
Hazel G. Cook Memorial Cancer Research Bequest	42,505	62,094	104,599
Samuel Corman Memorial Bursary	2,264	300	2,564
H. I. Corne Prize	1,316	168	1,484
Estate of Elva S. Corrigill	51,231	6,607	57,838
Dr. Vic Corroll General Proficiency Award	1,030	124	1,154
June Helen Coulter Memorial Fund	10,000	1,288	11,288
Peter L. Coultry Memorial Book Prize	1,253	162	1,415
Cowcup Trust Fund		25,759	25,759
Bruce Currie Memorial Scholarship Fund		1,316	1,316
The Peter D. Curry Chancellor's Award	1,000	131	1,131
Estate of James C. Dalgarno	120,917	33,642	154,559
Catherine Elizabeth Davidson Bursaries in Medicine	2,845	583	3,428
Lorna M. Davis Scholarship		693	693
The Dr. N. Demchuk Award	2,875	365	3,240
Dental Museum — History	3,025	72	3,097

Schedule 32 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Dental Licensure Committee Fund	$ 2,213	$ 928	$ 3,141
Emilie Sumi Denny Scholarship	3,000	342	3,342
Estate of Dr. Agnes Isabelle Dodds	7,577	21,716	29,293
Joseph Doupé Medal Fund	5,076	639	5,715
Dr. Joseph Doupé Memorial Bursaries	3,758	484	4,242
The Ieleane Downey Memorial Book Prize	1,085	266	1,351
Anthony G. Draper Memorial Prize	688	88	776
Nicholas Dubick Memorial Scholarship	4,296	550	4,846
B. B. Dubienski Memorial Scholarship	10,369	1,367	11,736
August Dyck Scholarship Fund	2,772	369	3,141
Frank Edick Memorial Prize	500	64	564
Grettir Eggertson Fund	2,591	6,596	9,187
The Mary Jane Ego Scholarship	5,821	739	6,560
Eleventh Field Ambulance Fund		623	623
Gissur Eliasson Memorial Scholarship	5,040	669	5,709
Miriam Green Ellis Fund in Animal Science	29,942	13,557	43,499
Miriam Green Ellis Fund in Plant Science	29,190	20,579	49,769
Employers' Association of Manitoba Scholarship in Commerce	12,220	1,595	13,815
English Speaking Union Prize	915	79	994
Audrey Watts Ensminger and Francis Watts Johnson Scholarship	5,300	675	5,975
Esther Brina Erenberg Memorial Scholarship	1,790	233	2,023
Sarah Essers Book Prize	827	105	932
Estey Family Endowment Fund	12,500	1,046	13,546
The Ewart Chair of Constitutional Law	20,000		20,000
The John S. Ewart Memorial Fund	65,455	9,078	74,533
Faculty of Administrative Studies Library Fund	2,100	84	2,184
Faculty of Dentistry Library Trust Fund	18,378	5,424	24,802
Douglas Bartlett Fahlgren Memorial Prize	2,498	328	2,826
The Ethel M. Falardeau Scholarship (or Bursary) Fund	3,962	498	4,460
Dr. Ivy Falardeau Memorial Bursary Fund	11,900	2,508	14,408
William Fedorus Award	1,570	203	1,773
The E. P. Fetherstonhaugh Memorial Scholarship Fund	37,122	4,854	41,976
Financial Executives Institute — Winnipeg Chapter	2,000	440	2,440
Fay Finestone Achievement Award	500	37	537
Sam Finkle Memorial Bursary	25,014	3,436	28,450
The David R. Finkelstein Memorial Bursary	3,190	423	3,613
Kenneth Finkelstein Prize in Sculpture	1,075	413	1,488
Miriam Finkelstein Memorial Bursary	2,569	341	2,910
Dr. Robert Fletcher Gold Medal in Education	632	81	713
Fort Garry Chamber of Commerce	7,173	629	7,802
Alf Francis Memorial Prize	1,500	193	1,693
Heinz Frank Memorial Scholarship	9,138	1,192	10,330
Chief Justice Samuel Freedman Faculty of Law Fund	4,500	417	4,917
Dr. Joseph Freeman Memorial Book Prize	535	68	603
John Kenneth Galbraith Award Fund		519	519
Dr. H. P. H. Galloway Memorial Scholarship	17,291	3,331	20,622
Dr. Matthew Henry Garvin Estate	4,209	529	4,738
Dona Pilley Gauthier Memorial Scholarship		874	874
General Trust	1,443,790	1,089,721	2,533,511
Morris and Bella Genser Bursary	3,287	454	3,741
Geriatric Medical Bursaries		2,196	2,196
The Gershfield Estate Scholarship	1,365	178	1,543
Alexander Gibson Memorial Lectureship Fund		165	165
J. M. Gilchrist Bursary	5,354	710	6,064
Thorsteinn J. Gislason Memorial Scholarship	12,909	1,622	14,531
R. R. Goodwin, QC, Memorial Fund	13,423	353	13,776
Sari Golden Memorial Bursary	2,052	207	2,259
Mr. and Mrs. S. W. Golden Prize	554	71	625
Cyril H. Goulden Memorial Scholarship	3,468	446	3,914

Schedule 32 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Graduate Award in Pharmacology and Therapeutics	$ 500	$ 218	$ 718
Dr. John M. Grahame Scholarship Fund	6,501	849	7,350
James H. Gray Medal Fund	504	60	564
Hart Green Junior Memorial Prize in Criminal Procedure	1,219	156	1,375
Dr. Norman Greenberg Prize in Dentistry	550	70	620
Gilbert T. Gregory Memorial Prize	1,564	199	1,763
Edward Oliver Grimsdick Memorial Prize	592	224	816
Gershon and Adela Grubert Memorial Scholarship	5,564	684	6,248
Pall Gudmundson Scholarship Fund	60,340	32,740	93,080
Estate of Joseph E. Guertin	108,768	114,287	223,055
Dr. John A. Gunn Memorial Scholarship in Surgery	4,472	589	5,061
Eldon Hagglund Memorial Fund	42,517	18,486	61,003
Dr. F. W. L. Hamilton Scholarship Fund	6,045	767	6,812
Joan Harland Scholarship Fund	5,518	693	6,211
Jack Hart Memorial Scholarship		801	801
Margaret Elder Hart Graduate Study Award	6,986	850	7,836
The Hart Scholarship	3,993	502	4,495
Viktor Havlicek Memorial Fund	10,000	2,002	12,002
Charles Hawkins Memorial Bursary	15,000	421	15,421
John W. Hawryluk Memorial Scholarship	7,913	1,006	8,919
Leonard Heaton Memorial Scholarship	16,507	2,163	18,670
Dr. Frank Hechter Book Award	1,000	133	1,133
Gerald M. Hechter Bursary in Engineering	10,226	1,190	11,416
Irving L. Hechter Book Award	2,327	261	2,588
Shirley Joy Hechter Memorial Award	2,469	315	2,784
Dr. Ted Hechter Scholarship Fund	958	120	1,078
Mary E. Hedley Fellowship	5,240	2,770	8,010
Dr. R. L. Hedley Memorial Research Fund		7,551	7,551
William J. Hill Memorial Fund	3,991	653	4,644
The Hirsch Memorial Prize	1,515	186	1,701
History Interdisciplinary Fund	1,619	203	1,822
Madge Hogarth Bursary Fund	10,000	2,663	12,663
The Alexandra Wrightson Hogg Scholarship	33,902	4,142	38,044
Dr. A. W. Hogg Bequest	260,347	389,640	649,987
Reverend Joseph Hogg Scholarship	40,206	5,253	45,459
Dr. A. W. Hogg Bequest (Faculty Loan Fund)		52,421	52,421
Abraham Bessie and Mina Hollenberg Bursary Fund	5,363	689	6,052
Dr. Esther Gorsey Hollenberg Memorial Bursary	22,570	4,067	26,637
Bernice and William Holub Medical Library Fund	5,169	656	5,825
Home Economics Manitoba Association Bursary	5,187	677	5,864
Human Ecology Students' Society Bursaries	4,504	588	5,092
Edith F. Hudson Memorial Fund	10,000	11,819	21,819
Edgar Hudson B.Sc. Bursary		1,476	1,476
The Hon. Mr. Justice Hudson Prize in Law	2,264	289	2,553
The Professor W. M. Hugill Memorial Scholarship	10,435	1,323	11,758
Victoria Hull Memorial Fund	5,110	656	5,766
Michael H. Hykawy Memorial Scholarship	5,000	355	5,355
The Marcus Hyman Memorial Scholarship	3,111	413	3,524
Molly Hyman Award in Art		459	459
Samuel Hyman Memorial Prize	1,440	181	1,621
I.B.M. Fellowship in Computer Science		1,958	1,958
Immunology Pharmacia	40,000	5,082	45,082
Imperial Seed Co. Ltd. Scholarship	26,635	3,565	30,200
Indian and Metis Education Alumni Fund		692	692
Institute for Social and Economic Research	241,672	94,291	335,963

Schedule 32 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Interlake Grassland Society Bursaries	$ 11,068	$ 1,556	$ 12,624
Leonard Isaacs Scholarship	6,856	895	7,751
Isbister Scholarships	41,855	5,736	47,591
Sonia Roffman Isenberg Prize	507	66	573
Jared Israels Memorial Fund	15,618	1,965	17,583
Sarah and Simon Israels Memorial Lecture Fund	10,425	7,760	18,185
Richard Jackson Memorial Bursary	5,891	769	6,660
The Dr. Elmer S. James Memorial Fund	21,988	19,438	41,426
Dr. A. V. Johnson Memorial Book Prize	616	78	694
Marie Jomini Scholarship		150	150
C. Meredith Jones Memorial Scholarship	6,864	894	7,758
Hung-Pin and Liu-Shih Kao Scholarship	2,506	328	2,834
Max Kaplan Prize in Legal Aspects of Business Planning	500	17	517
Rose Kare Memorial Fund	2,000	254	2,254
The Sadie Karr Memorial Book Prize	1,009	129	1,138
Aaron Katz Memorial Scholarship	1,462	509	1,971
The Frances and Hyman Kay Bursary	3,289	436	3,725
The Mr. and Mrs. Samuel Fred Kay Bursary	3,177	421	3,598
Dr. A. D. Keenberg Bursary	2,000	121	2,121
Kellogg Foundation Medical Loan Fund	11,255	26,680	37,935
Kellogg Foundation School of Dentistry Loan Fund	14,293	36,746	51,039
Dr. Frank Kennedy Memorial Fund		1,665	1,665
H. W. Kennedy Scholarship Fund	2,078	265	2,343
Joan Kennett Memorial Award	561	67	628
E. B. Kernaghan Bursary	29,276	3,943	33,219
Dr. Alvin Klady Memorial Fund	2,939	375	3,314
Klieforth Prize in American History	1,137	145	1,282
David and Marion Korn Award	2,000	205	2,205
Sheldon F. Kohn Bursary	4,500		4,500
Howard Sorrell Koven Memorial Fund	411	782	1,193
Adalsteinn Kristjanson Scholarship	67,832	9,033	76,865
Leonard Krueger Centennial Award	1,493	190	1,683
Leonard Krueger Scholarship in Dentistry	1,063	140	1,203
Steve Kucyk Scholarship or Fellowship	10,632	1,369	12,001
Mike Kupfer Memorial Award	3,163	415	3,578
Landscape Architecture Award Fund	1,000	984	1,984
Dr. T. J. Lamont Memorial Prize Fund	11,515	1,447	12,962
Sarah Ann Lambert Memorial Fund	12,233	6,266	18,499
Dr. W. G. Lamberd Memorial Fund	2,224	497	2,721
C. E. L'Ami Prize in Slavic Studies	5,618	882	6,500
H. V. Larusson Memorial Fund	505	50	555
The Rosabelle Searle Leach Scholarship	5,561	727	6,288
Dr. J. M. Lederman Memorial Fund	9,012	1,145	10,157
Alexander Robert Leonard Scholarship	9,545	1,246	10,791
Ed Letinsky Annual Sketch Prize		197	197
Irving Levi Prize in Geology	357	47	404
David Levin Memorial Scholarship	2,360	308	2,668
James Palmer Lewis Lectureship Fund		1,949	1,949
Life Underwriters Association of Canada Prize		3,811	3,811
The Winona Lightcap Memorial Scholarship	3,500	475	3,975
Professor Robert J. Lockhart Memorial Fund	25,725	22,247	47,972
Jack Roy Longstaffe Bursaries		5,043	5,043
The William McLeod Lougheed Memorial Bursary	6,556	855	7,411
Dr. G. Lubinsky Memorial Scholarship	2,784	350	3,134
Albert Lucas Prize Fund	1,307	163	1,470
Earl Lunsford Bursary	5,278	653	5,931
Elizabeth Luginbuhl Memorial Award	5,986	761	6,747
Sterling Rufus Lyon Scholarship in Constitutional Law	5,000	868	5,868
Michael Lyseyko Memorial Scholarship	3,750	479	4,229
Jack MacDonell Scholarship in Aging	16,459	1,444	17,903

Schedule 32 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
David Ian MacKenzie Medal in Zoology	$ 1,100	$ 93	$ 1,193
MacLaughlin-Hart Gold Medal Fund	1,992	274	2,266
Irwin H. Mael Pharmacy Student Loan Fund	512	315	827
Laurell Maley Memorial Bursary Fund	2,767	360	3,127
Mykyta I. Mandryka Scholarship	2,113	270	2,383
Manitoba Dental Association — Dental Hygiene Student Loan Fund	2,694	8,063	10,757
Man. Dental and Man. Alumni Assoc. Fund		56,637	56,637
Manitoba Diamond Jubilee Scholarship Fund	1,244	158	1,402
Manitoba Naturalists Society Scholarship	4,500	500	5,000
Manitoba Pharmaceutial Association Fund	5,460	788	6,248
Ralph Allan Mann Memorial Fund	6,204	4,014	10,218
Connie and Major Margolis Bursary	3,633	471	4,104
Mr. and Mrs. Max Margolis Prize	4,851	619	5,470
Anne Matas Memorial Prize in English	1,338	328	1,666
Charles A. May Memorial Bursary	702	103	805
Dr. Clifford McCormick Memorial Fund	2,533	132	2,665
Dr. W. A. McElmoyle Memorial Bursary	10,000	1,823	11,823
Donald K. McIvor Scholarship in Geology & Geophysics		66	66
The Alexander McIntyre Prize in Education	3,804	482	4,286
Allan McKean Memorial Scholarship	4,686	602	5,288
John McKechnie Memorial Scholarship	6,814	904	7,718
M.C.L. Bird Station Bursaries	13,452	2,739	16,191
Mrs. V. McLaughlin Memorial Award		305	305
Dr. Harry Percival McPhail Memorial Scholarship	5,840	2,262	8,102
Medal of Merit in Home Economics	2,751	347	3,098
Medical Faculty Women's Club Centennial Prize in Medicine	2,307	290	2,597
Medical Faculty Women's Club Loan Fund	1,217	1,346	2,563
Medical Immunology Special Research Fund	20,000	2,541	22,541
Medical Library Trust Fund	71,650	8,196	79,846
Medical Research Fund	5,102	12,487	17,589
Betty Meltzer Memorial Prize	1,006	128	1,134
Sara Meltzer Memorial Prize	4,117	534	4,651
Lillian Slusman Meyers Bursary in Medicine		476	476
Estate of Sam Micsan	35,672	34,189	69,861
Estate of Sydney L. Morantz	5,000	1,062	6,062
L. D. Morosnick Prize	1,267	162	1,429
Estate of Mona G. Morrison		2,831	2,831
Jean Morton Memorial Bursary	3,885	507	4,392
W. L. Morton Gold Medal in History	1,267	243	1,510
George Mower Memorial Prize	647	83	730
Dan Muir Memorial Award	6,345	806	7,151
Paul Myers Memorial Award	760	96	856
Terry Jon Myers Award	3,029	396	3,425
Neaman-Shenkarow Opportunity Fund	10,000	2,943	12,943
Samuel M. Neamtan Memorial Scholarship	5,052	696	5,748
Walter C. Newman Fund	10,190	1,306	11,496
Nicholson Memorial Fund	4,150	527	4,677
Dr. J. R. W. Nicholson Prize in Medicine	1,000	104	1,104
The Nickerson Prize in Pharmacology and Therapeutics	4,579	575	5,154
The Mr. Justice and Mrs. I. Nitikman Prize	1,265	161	1,426
The Alex Noble Memorial Scholarship	2,532	322	2,854
The George Alastair Noble Bursary	2,500	22	2,522
Bernard Noonan Memorial Fund	1,079	136	1,215
Northern Sales Co. Ltd. — C. O. Swartz Fund	25,000	10,600	35,600
Mark Lewis Nozick Memorial Scholarship	10,596	1,355	11,951
Nursing Education Endowment Fund	29,101	14,704	43,805
Old Age Pensions Society of Manitoba Incorporated	1,000	127	1,127
The Mindel and Tom Olenick Medal and Prize in Microbiology	5,064	648	5,712

Schedule 32 **Trusts and Endowments**

The University Investment Trust Fund:	*Capital Account*	*Current Account*	*Total*
Dr. Morley Oretzki Scholarship Fund	$ 1,599	$ 209	$ 1,808
William James Osborne Scholarship	7,685	1,004	8,689
Halsey A. Park Memorial Prize	277	35	312
Florence Pauls Prize in Nursing	1,502	195	1,697
Nels and Elvira Pearson Scholarship Fund	3,749	475	4,224
H. C. Pentland Memorial Fund		794	794
Personnel Association of Greater Winnipeg	1,000	127	1,127
Aaron Jenkins Perry Memorial Scholarship	48,658	6,618	55,276
David Renfrew Petrie Memorial Medal	1,384	176	1,560
Richard (Dick) Lorne Pierce Bursary	2,467	323	2,790
Carol-Anne Plezia Memorial Bursary	9,879	1,267	11,146
Portnoy Prize Fund	500	49	549
Mr. and Mrs. Charles Portnuff Prize in Medicine	2,028	267	2,295
Baird Poskanzer Memorial Fund	4,381	1,172	5,553
Estate of Thomas James Pounder	26,515	25,426	51,941
Edward Ross Pressman Memorial Bursary	3,234	416	3,650
John Angus Prescott Memorial Book Prize	550	71	621
President's Special Projects Fund		817	817
Estate of J. M. Pritchard	10,000	1,270	11,270
Willard J. Condo Prosthodontic Bursary Fund	12,000	12,346	24,346
Dr. Donald B. Proctor Memorial Fund	7,929	299	8,228
Protein and Polypeptide Hormone Trust Fund	750,000	139,122	889,122
Leon Provancher Prize in Systematic Zoology	4,319	543	4,862
Prowse Prize Fund	30,598	3,858	34,456
Dr. James Pullar Memorial Trust	25,306	3,259	28,565
The R.A.C. Memorial Scholarship	3,112	407	3,519
R.C.N.V.R. (Women's Auxiliary Scholarship Loan Fund)	2,038	9,313	11,351
Dr. Maxwell S. Rady Scholarship in Obstetrics and Gynaecology	5,415	683	6,098
Dr. Maxwell S. Rady Scholarship	3,000	398	3,398
Josefine C. Rauch Memorial Prizes	3,900	673	4,573
Dr. Marvin Raynes Memorial Prize	1,244	237	1,481
Refresher Courses in Medicine		35,177	35,177
Donald Parker Reid Bursary in Medicine	13,270	2,167	15,437
Catherine Elizabeth Reimer Memorial Fund	2,695	339	3,034
Dr. Vernon B. Rhodenizer Graduate Scholarship	12,018	1,606	13,624
Jack Rice Memorial Scholarship	2,060	263	2,323
The Marcel Richard — L'Alliance Francaise Prize	2,215	281	2,496
Cecil C. Richards Memorial Award	5,000	1,464	6,464
Mr. N. Riedle Endowment Fund	84,434	10,875	95,309
Mrs. Ethel Roberts Memorial Prize	1,370	178	1,548
Arlene Meredith Roberts and Dr. T. J. Speakman Memorial Research Fund	2,000	341	2,341
Mary L. Robertson Memorial Scholarship	1,800	244	2,044
Esther Robinson Scholarship	4,000	531	4,531
Rockefeller Foundation Fund	244,363	461,578	705,941
Maysie Roger Memorial Fund	6,769	881	7,650
Patricia and Arnold Rogers Medical Library Fund	7,264	850	8,114
Patricia Ruth Rogers Music Award	1,900	285	2,185
Dr. Sydney L. Rogers Scholar Fund	2,050	604	2,654
The Dr. Nelles Rollins Memorial Bursary	8,000	4,282	12,282
Elizabeth Lewis Rose Memorial Book Prize in Foods and Nutrition		722	722
Mark Rose Memorial Book Prize in Pharmacy		722	722
Dr. Charlotte W. Ross Memorial Prize and Gold Medal	5,534	695	6,229
A. Allyn Rossen Award for Proficiency in Cardiovascular Investigation	6,788	898	7,686
Dr. and Mrs. Victor Rosenfield Fund	2,158	496	2,654

Schedule 32 Trusts and Endowments

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
J. L. Ross, Q.C. Moot Competition Travel Award	$ 2,500	$ 87	$ 2,587
Nathan Rothstein Prize	1,344	175	1,519
Nathan Rothstein Prize in Film Studies	2,800	275	3,075
Kenneth Roulston Memorial Scholarship	5,429	707	6,136
Royal Air Force Auxiliary Memorial Scholarship	2,837	376	3,213
Antoni and Helen Rudan Memorial Scholarship	2,237	285	2,522
J. B. Rumberg Memorial Fund	1,481	190	1,671
John A. Russell Alumni Bursary	16,956	2,196	19,152
Bernice W. Safeer Prize	1,284	163	1,447
Rachel and Isaac Sair Scholarship	5,595	728	6,323
Dr. and Mrs. H. H. Saunderson Award Fund	44,744	5,599	50,343
Dr. H. H. Saunderson Award in Dentistry	5,181	658	5,839
The Anastasia Sawula Prize	1,518	194	1,712
School of Art Scholarship Fund		2,660	2,660
School of Physical Education Memorial Award		736	736
Estate of Abraham Schwartz	1,000	75	1,075
Bernard C. Schwartz Scholarship	28,330	3,615	31,945
Fredrick Otto Schwartz Medical Library Memorial Fund	5,237	664	5,901
Science Students' Association Bursary	6,123	801	6,924
Seagram Visiting Lecture Fund	10,000	2,502	12,502
Dr. Sunil K. Sen Scholarship	1,230	155	1,385
Lord Selkirk Association of Rupertsland Memorial Scholarship	9,014	1,140	10,154
Gladys Waldman Shaffer Memorial Bursary	2,500	189	2,689
Mr. and Mrs. Alexander Shack Prize in English	9,611	1,126	10,737
Philip Shane Memorial Bursary	9,000	966	9,966
Mr. and Mrs. J. D. Shanski Bursary	5,838	881	6,719
John Shanski Physical Education Bursary	6,430	861	7,291
John M. Sharp Memorial Fund	15,562	2,043	17,605
Dr. John P. Shaw Scholarship Fund	16,069	3,618	19,687
The Polly and George Sheps Prize	3,090	415	3,505
Dr. Alvin Shinoff Medal		1,682	1,682
W. H. Shinn Memorial Bursary	6,000	518	6,518
The Morris and Sarah Shnier Memorial Bursary	4,589	599	5,188
Mr. and Mrs. Max Shore Travelling Scholarship		9,684	9,684
Morris Shore Scholarship in Business Administration	9,784	1,249	11,033
Morris Shore Scholarship Fund	3,701	458	4,159
Mr. and Mrs. S. Sigurdson Memorial Scholarship	2,607	388	2,995
Edwin Silver Scholarship		901	901
Rubin Simkin Fund		5,192	5,192
The Mr. and Mrs. Saul Simkin Bursary in Medicine	3,368	445	3,813
Norman William Simmons Memorial Award		1,000	1,000
W. J. (Bill) Sinclair Memorial Award	1,000	1,774	2,774
The Robert Sirluck Scholarship in Canadian History	3,885	532	4,417
The Mr. and Mrs. J. Skaletar Memorial Scholarship	3,808	760	4,568
Mark Smerchanski Prize	775	125	900
Dr. Elizabeth B. Smith Award	1,474	740	2,214
Grant Smith Memorial Bursary		354	354
Dr. Emanuel Snell Bursary		940	940
The Society of Management Accountants of Manitoba Prize	1,171	252	1,423
Lieutenant Morris Soronow Memorial Scholarship	1,646	215	1,861
Lieutenant M. M. Soronow Memorial Prize	1,270	162	1,432
Mr. and Mrs. George Soudack Scholarship for the Humanities	3,415	453	3,868
Special Emergency Award Fund		1,401	1,401

Schedule 32 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Special Scholarships in Home Economics	$ 11,452	$ 1,305	$ 12,757
Winthrop Spencer Scholarship Fund	5,503	691	6,194
Morton Stall Memorial Scholarship	2,615	348	2,963
Olive Beatrice Stanton Award for Excellence in Teaching	34,752	4,414	39,166
Estate of Esther R. Steele	27,731	3,661	31,392
The Dr. Jon Stefansson Memorial Scholarship	5,566	763	6,329
Veelia and Sharon Stern Memorial Award	8,957	1,163	10,120
A. M. Stewart Memorial Bursary	3,665	486	4,151
Paul Stewart Memorial Fund	938	118	1,056
Ronald K. Stewart-Hay Memorial Bursary	3,640	458	4,098
E. W. Stringham Award for Excellence in Animal Science	5,171	508	5,679
Student's Architectural Society Award	3,841	483	4,324
Summer Session Students' Council Memorial Bursary Fund	20,095	8,995	29,090
The Nathan Sures Scholarship	1,556	206	1,762
Edna Sutherland Bequest	15,935	12,926	28,861
David L. Swancar Memorial Fund for Legal Research	6,850	1,587	8,437
Wasyl Swystun Prize in Ukrainian Studies		1,022	1,022
Sam and Mary Szach Bursary	5,000	363	5,363
Lawrence Tapper Prize in Accounting	526	68	594
Dallas Taylor Memorial Prize	2,066	268	2,334
Dr. Ellen Fraser Taylor Faculty of Medicine Development Fund	151,662	59,259	210,921
Nena Tessler Memorial Bursary	4,444	580	5,024
E. J. Thomas Prize		2,149	2,149
The Rhys Thomas Memorial Prize in Music	694	94	788
W. W. Thomson Scholarship Fund	10,452	1,351	11,803
Ernest Payson Thompson Memorial Bursary Fund	4,975	651	5,626
Elizabeth and Robert Tibbs Memorial Bursary	2,481	309	2,790
John R. Troniak Memorial Award Fund	6,083	746	6,829
Dr. J. R. Trott Memorial Fund		5,304	5,304
Alfred Rea Tucker Memorial Scholarship	58,204	7,629	65,833
Bessie Turner Memorial Prize	1,264	161	1,425
The Frederick W. Tuxworth Bursary	11,122	1,454	12,576
U. of M. Football Scholarship Fund		9,586	9,586
U. of M. Hockey Scholarship Fund		15,627	15,627
University Fund for Property Replacement	53,925	11,681	65,606
University Women's Club of Winnipeg Scholarship in Nursing	2,569	339	2,908
Jack S. Verner Memorial Scholarship	4,361	577	4,938
Vineberg Research Prize in Psychology	1,052	134	1,186
Garson N. (Gerry) Vogel Memorial Award	5,266	714	5,980
Christian Walker Memorial Bursary	16,528	2,624	19,152
Norma E. Watts Walker Award	2,756	350	3,106
Wallace and Akins Limited Bursary	11,081	1,450	12,531
Professor Sidney Warhaft Memorial Fund	8,402	816	9,218
Samuel Weiner Memorial Fund	33,793	9,003	42,796
The Helga Nielson Westdal Memorial Bursary	2,835	365	3,200
Isabel Wettlaufer Scholarship		1,076	1,076
Digby Wheeler Radiological, Educational and Fellowship Trust	514,680	583,049	1,097,729
Kathy Windsor Memorial Bursary	10,067	1,313	11,380
Winnipeg Branch — Canadian Physiotherapy Association Loan Fund	298	891	1,189
Winnipeg Dental Society — Dentistry Research Fund	3,500	1,578	5,078
Winnipeg Women's Air Force Auxiliary Memorial Bursary	5,058	663	5,721
J. Wolinsky Scholarship	6,704	780	7,484
Jack Woodhouse Memorial Bursary Fund	2,262	305	2,567

Schedule 32 **Trusts and Endowments**

	Capital Account	*Current Account*	*Total*
The University Investment Trust Fund:			
Don Wright Scholarships in Music	$ 700	$ 3	$ 703
Philip Yaffe Memorial Prize	2,367	286	2,653
Dr. A. A. Yauniskis Memorial Scholarship Fund	10,263	1,363	11,626
Dr. Tet Pin Yong Award in Undergraduate Surgery	1,548	329	1,877
Sarah Zarow Prize in Prosthodontology		657	657
Mary and Joe Zeal Prize	1,167	213	1,380
Pauline and Samuel Zinman Prize in Constitutional Law	1,275	163	1,438
Zonta Club of Winnipeg Bursary	4,784	620	5,404
	7,936,116	4,444,518	12,380,634
Less: Loans to Students and Staff, Contra	11,123	104,896	116,019
Subtotal: The University Investment Trust Fund.	7,924,993	4,339,622	12,264,615
Specific Trusts:			
Administrative Studies Associates Fund	$	$ 249,573	$ 249,573
Administrative Transport Building		400	400
Alberta Award — Administrative Studies	120	7	127
Tim Black Memorial Award	1,000	189	1,189
Stella Boyd Memorial Scholarship	2,569	276	2,845
Estate of Gertrude E. Childs	6,075	1,365	7,440
James H. Cook Memorial Bursary	7,079	1,586	8,665
Joseph Doupé Building Fund		216,979	216,979
Lawrence Genser Music Scholarship	8,572	1,618	10,190
Hamilton Memorial Research Scholarship	20,000	3,237	23,237
Dale Henwood Lectureship Fund	6,000	1,606	7,606
Dr. Ellis J. Jarjour Fund	1,000	73	1,073
Maclachlan Charitable Trust Fund	150,000	63,471	213,471
Dr. Lorne E. MacLachlan Educational Endowment Fund	50,000	22,409	72,409
Laurell Maley Bursary Fund	1,638		1,638
Manitoba Medical College	61,513	2,281	63,794
Roscoe R. Miller Scholarship	7,500	2,269	9,769
Mr. Justice and Mrs. I. Nitikman Prize	2,000	239	2,239
Performing Arts Theatre		200	200
Marcel Richard Memorial Fund	4,960	1,892	6,852
H. E. Sellers Chair of Medicine	1,375,000	88,852	1,463,852
Leslie Michael Shelton Memorial Scholarship	9,100	2,928	12,028
Unemployment Insurance Premium Reduction Fund		762,763	762,763
University of Manitoba Students' Union — University Centre Building Fund		229,518	229,518
Dr. Max Wachnow Orthodontic Scholarship	7,500	3,423	10,923
	1,721,626	1,657,154	3,378,780
Loans to Students and Staff Made from Trust and Endowments Participating in the University Investment Trust Fund, Contra	11,123	104,896	116,019
Subtotal: Specific Trusts and Endowments.	1,732,749	1,762,050	3,494,799
Total Trusts and Endowments, Schedule 16	$ 9,657,742	$ 6,101,672	$15,759,414

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

THE UNIVERSITY OF MANITOBA PENSION PLAN (1970)

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements 1, 2 and 3, of The University of Manitoba Pension Plan (1970) for the fiscal year ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Manitoba Pension Plan (1970) as at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting policies stated in notes 1 to 3, inclusive, to the financial statements applied on a basis consistent with that of the preceding year.

Fred H. Jackson

F. H. Jackson, C.A.,
Assistant Provincial Auditor.

March 22, 1985,
Winnipeg, Manitoba.

Statement 1

THE UNIVERSITY OF MANITOBA
PENSION PLAN (1970)

Balance Sheet
As at December 31, 1984
(with 1983 figures for comparison)

	1984	1983
ASSETS		
Funds on Deposit with an Assurance Company	$ 11,655,109	$ 10,958,393
Held by a Trust Company: (Note 2)		
Cash and Short Term Notes	7,918,133	6,746,067
Mortgages (Market 1984 - $2,459,869; 1983 - $5,088,246) (Note 9)	2,412,875	4,882,040
Bonds - Canada, Provincial and Provincial Guaranteed, at amortized cost (Note 9) (Market, 1984 - $65,054,446; 1983 - $38,207,714)	63,494,021	38,695,441
Bonds - Corporate, at amortized cost (Note 9) (Market, 1984 - $ 9,837,193; 1983 - $ 9,607,976)	9,998,795	9,910,450
Stocks - Canadian Common, at market value (Cost, 1984 - $45,449,965; 1983 - $47,522,560)	52,260,908	57,114,553
Stocks - American Common, at market value (Cost, 1984 - $ 6,134,528; 1983 - $ 4,317,633)	7,016,520	4,895,388
Stocks - Canadian Preferred, at market value (Cost, 1984 - $ - ; 1983 - $ 972,427)		1,134,850
Stocks - Canada Trust Canadian Pooled Pension Equity Fund, at market value (Cost, 1984 - $ 1,299,983; 1983 - $ 1,299,983)	1,530,246	1,579,251
Stocks - Canada Trust American Pooled Pension Equity Fund, at market value (Cost, 1984 - $ - ; 1983 - $ 2,673,134)		3,370.600
Stocks - Toronto Investment Management Equity International, at market value (Cost, 1984 - $ 577,883; 1983 - $ 523,256)	784,224	761,246
Stocks - Toronto Investment Management Vengrowth, at market value (Cost, 1984 - $ 300,000; 1983 - $ 200,000)	300,000	200,000
Accrued Interest and Dividends Receivable	1,968,098	1,545,911
	147,683,820	130,835,797
TOTAL ASSETS	$159,338,929	$141,794,190
LIABILITIES		
Contribution Accounts:		
Members:		
Regular	$ 75,666,067	$ 67,770,014
Voluntary	3,395,878	2,465,537
	79,061,945	70,235,551
University:		
Regular	72,594,554	64,802,936
General	7,682,430	6,755,703
	80,276,984	71,558,639
TOTAL LIABILITIES	$159,338,929	$141,794,190

Statement 2

THE UNIVERSITY OF MANITOBA
PENSION PLAN (1970)

Statement of Pension Plan Contribution Accounts
For the year ended December 31, 1984
(with 1983 figures for comparison)

	Members Accounts		University Accounts			
	Regular	Voluntary	Regular	General	Total 1984	Total 1983
Additions:						
Contributions:						
Members, Regular	$ 6,118,270	$	$	$	$ 6,118,270	$ 5,692,845
Members, Voluntary		790,368			790,368	489,620
University, Regular			6,118,270		6,118,270	5,692,845
Transfer from other Plans	28,524	120,180	28,524		177,228	14,703
Withdrawal Credits				389,498	389,498	259,802
Special Payment (Note 8)					-	220,000
	6,146,794	910,548	6,146,794	389,498	13,593,634	12,369,815
Investment Income (Statement 3)	4,554,298	194,974	4,362,440	780,815	9,892,527	20,650,373
	10,701,092	1,105,522	10,509,234	1,170,313	23,486,161	33,020,188
Deductions:						
Benefits:						
Retirements	1,656,868	164,917	1,585,118		3,406,903	3,189,319
Deaths	163,109		158,184		321,293	274,681
Transfers to other Plans	190,129	8,142	190,391		388,662	353,137
Deferred and other Annuities	372,113		365,309		737,422	570,896
Refunds	422,820	2,122	418,614		843,556	484,310
Supplementary Pensions (Note 6)				243,586	243,586	232,259
	2,805,039	175,181	2,717,616	243,586	5,941,422	5,104,602
Net Increase for the Year	7,896,053	930,341	7,791,618	926,727	17,544,739	27,915,586
Balance at January 1	67,770,014	2,465,537	64,802,936	6,755,703	141,794,190	113,878,604
Balance at December 31	$ 75,666,067	$ 3,395,878	$ 72,594,554	$ 7,682,430	$159,338,929	$141,794,190

Statement 3

THE UNIVERSITY OF MANITOBA
PENSION PLAN (1970)

Statement of Investment Income
For the year ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Interest:		
Assurance Company Deposit Funds	$ 1,198,882	$ 1,132,423
Cash Balances	46,132	48,467
Short Term Notes	1,083,544	823,896
Mortgages	532,783	962,180
Government and Corporate Bonds	6,381,649	4,729,850
Dividends:		
Common Stock - Canadian	1,793,504	1,475,404
Common Stock - American	258,206	189,444
Preferred Stock - Canadian	31,898	52,889
Canadian Pooled Pension Equity Fund	46,851	120,321
American Pooled Pension Equity Fund	9,137	100,530
Equity International	54,627	14,522
Net Increase in accrued income at December 31	422,187	102,474
Total Interest and Dividends	11,859,400	9,752,400
Adjustments:		
Net realized gain on sale of securities	2,004,413	3,501,312
Adjustment of book values of Common Stocks, Preferred Stocks and Pooled Pension Equity Funds to market values	(3,417,357)	7,862,396
Amortization of bond premium (Note 2)	(195,156)	(130,083)
	(1,608,100)	11,233,625
	10,251,300	20,986,025
Deduct:		
Administrative Expenses (Note 7):		
External Agencies' management fees	253,982	243,956
University of Manitoba administration charge	104,791	91,696
	358,773	335,652
Investment Income (Statement 2)	$ 9,892,527	$20,650,373

THE UNIVERSITY OF MANITOBA
PENSION PLAN (1970)

Notes to the Financial Statements
December 31, 1984

ACCOUNTING POLICIES

1. The annual financial statements of the University of Manitoba Pension Plan (1970) are prepared on a cash basis, modified to include investment income on an accrual basis. The financial statements do not take into account actuarial valuations and therefore do not reflect the financial position of the Plan on an actuarial valuation basis.

2. For the purpose of preparing the financial statements and calculating the investment income to be distributed to the Contribution Accounts, the following basis of valuing assets is observed:

   Short Term Investments and Mortgages at cost.

   Bonds at cost adjusted for amortization of premiums and discounts in excess of one percent of par on a straight line basis to December 31 preceding the maturity date.

   Stocks at market.

3. The investment income of the pension fund is determined quarterly. Investment income for a quarter consists of actual and accrued income, capital gains or losses, realized and unrealized, except for unrealized capital gains or losses on bonds. Actual and accrued expenses chargeable to the Plan are deducted before any distribution is made. Net investment income is distributed pro-rata to the Contribution Accounts based on the number of units held by such accounts at the beginning of the quarter.

GENERAL COMMENTS

4. The University of Manitoba Pension Plan (1970) is a Trusteed Plan. The assets of the Plan are held in the name of The Trustees of The University of Manitoba Pension Plan (1970). There are seven Trustees, one appointed by the Board of Governors of The University of Manitoba and six elected by the contributors to the Pension Plan from within the Plan membership. The University of Manitoba administers the Pension Plan under the terms of an agreement entered into with the Trustees dated December 31, 1973.

5. The University of Manitoba Pension Plan (1970) provides that each Member of the Plan shall have:

   (a) an Employee Contribution Account which is credited with the Member's contributions and share of investment income,

   (b) a University Contribution Account which is credited with contributions equal to the Member's regular contributions and share of investment income.

5. (continued)

At retirement the proceeds of the Member's two accounts are applied to purchase an annuity based on the election made by the Member. This is referred to as the Member's Basic Pension or Money Purchase Pension. The University guarantees that a Member will receive a minimum pension based on an approved formula. To the extent that a Member's Money Purchase Pension is less than the guaranteed amount, the Member will receive a Supplementary Pension to increase the pension to the required level.

6. Since 1970, the Supplementary Pension payments have been made from the University General Account which forms part of the Pension Plan assets. Funds for the University General Account normally originate from the following:

(a) that portion of a Member's University Contribution Account which is forfeited when a terminating Member elects a cash settlement of his or her pension accumulation,

(b) the annual payment required to amortize the unfunded liability of the Plan as established by the University's actuary paid into the University General Account by the University from its Special Fund for Benefit Improvement and Maintenance,

(c) interest earned on the University General Account.

7. The requirements for determining investment income for allocation purposes include the charging of administrative expenses against income. These expenses consist of management and custodial fees charged by the three external agencies of the Plan. In addition certain salary and benefit costs of the Staff Benefits Office are borne by the Plan. All other direct and indirect expenses are absorbed by the University.

8. An actuarial valuation of the Plan was completed during 1984 as of December 31, 1983. The valuation reported that the Plan was fully funded with no requirement for special payments. The Valuation Report has been filed with and approved by The Manitoba Pension Commission. The next valuation of the Plan will be undertaken as of December 31, 1985.

9. The year-end market value of mortgages and of bonds is disclosed as supplementary information only. Market value for mortgages and bonds is not used in the determination of investment income. The market figures shown for mortgages and for bonds were taken from the investment summaries provided by the custodian, Canada Trust Company.

Manitoba

Office of the Provincial Auditor

THE UNIVERSITY OF WINNIPEG

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements I and II and Schedules 1 to 12, of The University of Winnipeg for the fiscal year ended March 31, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The University of Winnipeg as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies stated in the Summary of Accounting Principles and Practices applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

June 17, 1985,
Winnipeg, Manitoba.

SUMMARY OF ACCOUNTING PRINCIPLES AND PRACTICES

A These financial statements have been prepared in accordance with generally accepted accounting principles for universities, except as noted below, in F and H.

B The University employs fund accounting procedures in order to recognize restrictions placed upon the use of resources. Two funds are maintained - the Operating Fund and the Trust and Endowment Fund. However, to provide a total presentation for the University, these funds have been combined in the Statement of Financial Position.

C The Operating Fund contains the following fund account balances which reflect the various separately financed functions recognized by the Board of Regents within the University:

University - the general operating income and expenditure of the University.

Collegiate - income and expenditure of the Collegiate Division.

Theology - income and expenditure of the Faculty of Theology.

Ancillary Services - the operations of the bookstore, residences, food services and parking.

Research - sponsored research, departmental and other special funds administered by the University.

Capital - expenditures primarily funded by government capital grants.

Special Provisions - appropriations of fund account balances made by the Board for specific purposes.

D The Trust and Endowment Fund contains donations and bequests which may have restrictions on their use. Unless specified to the contrary, all funds are pooled for investment purposes and the resulting income is distributed to the individual accounts.

E These financial statements are prepared on an accrual basis, with the exception of the government grant to the Collegiate Division which is taken into income when received.

F Capital expenditures are recorded during the year in the fund account from which they were made. At the fiscal year-end these are added both to the appropriate fixed asset account and to the offsetting account for investment in fixed assets. Accounts are reduced by the proceeds from the disposal of assets. No depreciation is charged.

G Equipment and renovation expenditures are charged to the departments incurring them, unless the expenditures are funded out of provincial miscellaneous capital grants or out of the Trust and Endowment Fund in which case the expenditures appear in the Capital Fund Account or in the Trust and Endowment Fund respectively.

H Assets being acquired under capital leases are not included in fixed assets until the option to purchase has been exercised.

Statement I

THE UNIVERSITY OF WINNIPEG
STATEMENT OF FINANCIAL POSITION
as at 31 March, 1985
(with comparative figures for 1984)

ASSETS

	1985 $000	1984 $000
Cash	$ 391	$ 668
Investments (Note 1 & Schedule 1)	1,293	699
Provincial Grants Receivable	88	1,241
Accounts Receivable (Note 2)	744	623
Inventory (Note 3)	219	228
Prepaid Expenses	49	114
	2,784	3,573
Investments Held for Trust and Endowment Fund (Note 1, Schedule 1)	5,188	5,056
Fixed Assets: (Note 4)		
Buildings and Sites	45,456	35,208
Equipment and Furniture	7,484	6,777
Library Books	5,805	5,320
Construction in Progress		7,068
	58,745	54,373
	$66,717	$63,002

Approved by the Board of Regents

A. H. Hanna
Chairman

J. D. MacDonald
Treasurer

LIABILITIES

	1985 $000	1984 $000
Accounts Payable	$ 1,227	$ 2,405
Deferred Income	446	485
Funds Held for Special Purposes	120	180
	1,793	3,070
Mortgage Payable (Note 5)	576	588
Fund Balances: (Statement II)		
Operating Fund		
University	108	96
Collegiate	208	157
Ancillary Services	119	40
Research	173	165
Special Provisions	307	50
	915	508
Trust and Endowment Fund	5,339	5,122
	6,254	5,630
Investment in Fixed Assets (Schedule 2)	58,094	53,714
	$66,717	$63,002

See Summary of Accounting Principles and Practices and the Accompanying Notes and Schedules.

Statement II

THE UNIVERSITY OF WINNIPEG
STATEMENT OF CHANGES IN FUND BALANCES
for the year ended 31 March, 1985
(with comparative figures for 1984)

	-OPERATING FUND-		
	University $000 (Schedules 4 & 5)	Collegiate $000 (Schedule 6)	Theology $000 (Schedule 7)
Income:			
Government Grants	$16,376	$ 291	$
Student Fees	5,051	948	68
Gifts, Grants & Bequests			71
Investment Income	152		
Other Income	327	84	
	21,906	1,323	139
Expenditure:			
Academic	12,956	898	146
Research	131		
Library	1,729	19	1
Academic Support	1,208		
Student Services & Awards	637	13	
Administration & General	2,317	62	2
Plant Maintenance	2,495	48	11
Other Expenditure	228	165	52
Equipment & Renovations	143	67	
Building and Sites			
	21,844	1,272	212
Interfund Transfers (Schedule 3)	207		73
Appropriations to Special Provisions	(257)		
Net Change for Year	12	51	
Balances Beginning of Year	96	157	
Balances End of Year, Statement I	$ 108	$ 208	$

- - - - - - - - -OPERATING FUND- - - - - - - - -					TOTAL	
Ancillary Services $000 (Schedule 8)	Research $000	Capital $000 (Schedule 9)	Special Provisions $000 (Schedule 10)	TRUST and ENDOWMENT FUND $000 (Schedule 11)	1985 $000	1984 $000
$	$	$3,316	$	$	$19,983	$21,554
					6,067	5,348
	974			446	1,491	1,675
				521	673	583
1,535		60			2,006	1,543
1,535	974	3,376		967	30,220	30,703
					14,000	12,750
	966				1,097	1,289
				28	1,777	1,614
					1,208	1,097
				382	1,032	1,029
				5	2,386	2,599
					2,554	2,082
1,456		40		55	1,996	1,740
		535			745	754
		2,801			2,801	5,482
1,456	966	3,376		470	29,596	30,436
				(280)		
			257			
79	8		257	217	624	267
40	165		50	5,122	5,630	5,363
$ 119	$173	$	$307	$5,339	$ 6,254	$ 5,630

See Summary of Accounting Principles and Practices and the Accompanying Notes and Schedules.

Notes to the Financial Statements

1. Investments

Investments are recorded at cost. The Operating Fund's investments comprise short-term notes whose market value approximates their cost. The aggregate market value of the Trust and Endowment Fund investment is $4,760,953 (1984 - $4,366,221).

2. Accounts Receivable

Student fees receivable form $285,896 (1984 - $227,552) of the accounts receivable balance, which also includes an allowance for doubtful accounts of $47,681 (1984 - $56,706).

3. Inventory

This balance comprises the Bookstore's inventory and is valued at the lower of cost or net realizable value.

4. Fixed Assets

The Fixed Assets are shown at the values established in the following appraisals with all subsequent additions recorded at cost.

Land	Royal Trust Co.	31 March 1968
Buildings	National Appraisal Consultants Ltd.	31 March 1978
Equipment, Furniture and Library Books	General Appraisal Co.	21 February 1967

5. Mortgage Payable

This liability consists of:

Canada Mortgage and Housing Corporation 5 3/8% mortgage due 2 April 2012	$576,433	(1984 - $585,152)
Investors Syndicate Realty Limited 7% mortgage due 1 July 1984	0	(1984 - $ 2,836)

The annual payments of $40,055 on the CMHC mortgage are financed by a special grant from the Provincial Government.

6. Interfund Balances

As of 31 March 1985, the Trust and Endowment Fund owed $137,276 (1984 - $137,363) to the Operating Fund.

7. Other Expenditure

Included in the Other Expenditure totals on Statement II is an amount of $266,210 representing the Manitoba Health and Post Secondary Education Tax Levy.

8. Capital Lease

The University has under lease, with the option to purchase, approximately $540,000 (1984 - $574,000) of computer equipment. The latest lease expiry date is 1 April, 1988. The leasing costs are charged to operating expenditure.

9. Property Taxes

Property taxes, except those on property held for future expansion, are not included in the accounts. The Province of Manitoba provides the City of Winnipeg with a grant in lieu of taxes for the University. The amount of this grant was $1,170,644 (1984 - $1,109,762).

10. University of Winnipeg Pension Plan

An actuarial valuation of the plan as at 1 September 1982 indicated a surplus of $588,518 before the implementation of certain improvements to the plan benefits. However any unfunded liability that may arise from future valuations will have to be funded by the University, since this is a defined-benefit plan.

Certain additional pensions totalling $68,156 (1984 - $82,896) are paid out of the Operating Fund.

11. Reclassification of Comparative Figures

Certain 1984 comparative figures have been reclassified to conform with the financial presentation adopted for 1985.

Schedule 1

Summary of Investments

	31 March, 1985		31 March, 1984
	Market	**Cost**	**Cost**
Bonds and Debentures			
Government of Canada	$1,489,464	$1,653,294	$1,702,482
Provincial	43,500	50,000	50,000
Provincial Guaranteed	177,888	222,102	222,102
Municipal	40,050	44,775	54,775
Corporate	1,585,899	1,788,334	1,788,334
	3,336,801	3,758,505	3,817,693
Stocks	13,496	19,000	19,000
Term Deposits	2,703,941	2,703,941	1,918,297
Total Investments	$6,054,238	$6,481,446	$5,754,990
Held for:			
Operating Fund, Statement I	$1,293,285	$1,293,285	$ 699,188
Trust and Endowment Fund			
Mennonite Studies	613,100	692,929	692,929
Pooled	4,147,853	4,495,232	4,362,873
Statement I	4,760,953	5,188,161	5,055,802
Total Investments	$6,054,238	$6,481,446	$5,754,990

Schedule 2

Investment in Fixed Assets

	31 March, 1985	31 March, 1984
Additions:		
Capital Fund Account		
Athletic Centre under Construction	$ 2,016,577	$ 5,443,392
MacNamara Hall	927,523	
Equipment	386,143	485,603
Renovations	263,325	61,392
Mortgage Principal Reduction	8,718	8,268
University Fund Account		
Equipment and Furniture	193,906	134,295
Library Books	485,001	445,763
Research Funds	98,991	131,148
Trust and Endowment Fund		
Purchase - 376 Spence Street		38,179
	4,380,184	6,748,040
Deductions:		
Proceeds from Disposals		3,111
	4,380,184	6,744,929
Balance Beginning of Year	53,713,783	46,968,854
Balance End of Year, Statement I	$58,093,967	$53,713,783

Schedule 3

Interfund Transfers

	Operating Fund				Trust and Endowment Fund
	University	Theology	Research	Capital	
Academic Expenditures	$ 72,973	$	$	$	$ (72,973)
Administration and General Expenditures	130,187				(130,187)
Other Income	3,510				(3,510)
Theology Subsidy		72,853			(72,853)
31 March, 1985, Statement II	$206,670	$72,853	$	$	$(279,523)
31 March, 1984	$158,074	$71,957	$43,184	$58,179	$(331,394)

Schedule 4

University Income

	1985	1984
Government Grants:		
Provincial		
Operating	$15,855,658	$15,145,300
Supplementary	176,375	31,984
Federal	344,224	
	16,376,257	15,177,284
Student Fees:		
Regular	3,458,887	3,053,250
Spring and Summer	483,554	485,165
Non-Credit	487,923	347,033
Other	620,235	537,227
	5,050,599	4,422,675
Investment Income	152,323	95,759
Other Income:		
Contracts	310,879	51,481
Miscellaneous	16,431	62,011
	327,310	113,492
Total Income, Statement II	$21,906,489	$19,809,210

Schedule 5

University Expenditures

	Academic Salaries	Support Salaries	Benefits
Faculty of Arts and Science			
Anthropology	$ 266,022	$ 4,014	$
Biology	680,616	32,847	
Chemistry	438,438	15,546	
Classics	165,166	247	
Economics	332,942	2,913	
Education	125,243	539	
English	1,118,541	7,438	
French	340,222	4,968	
Geography	653,734	8,350	
German	152,070	2,347	
History	927,076	4,413	
Mathematics	510,066	3,976	
Philosophy	332,255	2,684	
Physics	296,385	9,178	
Political Science	468,435	4,810	
Psychology	1,014,724	24,538	
Recreation & Athletics	152,645	1,282	
Religious Studies	162,922	1,010	
Sociology	755,934	9,918	
Summer and evening	485,941	15,028	
Graduate Studies		22,415	
Faculty Travel	63,473		
Dean's Office	203,161	774,749	
Music			
Benefits			822,434
	9,646,011	953,210	822,434
Non-Credit Instruction			
Continuing Education	159,830	211,852	18,008
Special Programs	14,681	29,939	2,518
Contracts	8,641	82,898	4,182
	183,152	324,689	24,708
Mennonite Studies - funded from the Trust and Endowment Fund	61,360	1,257	4,558
Total Academic	9,890,523	1,279,156	851,700
Research			

Schedule 5

Other Expense	Recoveries	TOTAL	
		1985	1984
$ 12,349		$ 282,385	$ 268,918
90,952		804,415	757,794
67,793	(50)	521,727	462,834
1,678		167,091	161,139
3,716		339,571	303,508
9,595		135,377	144,009
34,101	(7,000)	1,153,080	1,050,417
3,362		348,552	310,576
43,871	(2,796)	703,159	663,422
1,920		156,337	151,772
4,715		936,204	885,078
15,684		529,726	502,623
5,220		340,159	318,071
17,937	(520)	322,980	331,148
5,575		478,820	454,125
42,747		1,082,009	951,996
11,845		165,772	180,293
2,969		166,901	178,752
7,892		773,744	748,808
6,499		507,468	661,253
31,109		53,524	56,808
		63,473	60,928
310,315	(19,965)	1,268,260	952,293
2,353		2,353	1,975
		822,434	751,789
734,197	(30,331)	12,125,521	11,310,329
94,249		483,939	403,965
7,976		55,114	20,643
123,073		218,794	
225,298		757,847	424,608
5,798		72,973	68,264
965,293	(30,331)	12,956,341	11,803,201
130,800		130,800	122,940

Schedule 5

University Expenditures

	Academic Salaries	Support Salaries	Benefits
Library		973,618	81,084
Academic Support			
Computing		254,355	25,650
Media		241,695	16,798
Technical Services		248,309	23,417
		744,359	65,865
Student Services & Awards			
Athletics		287,907	25,069
Counselling		148,521	12,608
Health		30,721	
Student Grants			
		467,149	37,677
Administration and General			
Administration		939,879	86,482
Registrar		353,454	28,460
Printing		212,375	19,602
Development		92,103	5,903
Development - funded from the Trust and Endowment Fund		72,247	6,111
		1,670,058	146,558
Plant Maintenance			
Maintenance		872,082	88,461
Cleaning Supplies			
Repairs			
Utilities			
Insurance			
Security		53,592	
		925,674	88,461
Other Expenditure			
Renovations			
TOTAL, Statement II	$9,890,523	$6,060,014	$1,271,345

Schedule 5

Other Expense	Recoveries	TOTAL	
		1985	1984
694,311	(20,031)	1,728,982	$ 1,573,605
275,992	(6,926)	549,071	508,843
124,034	(20,382)	362,145	313,865
28,722	(4,048)	296,400	274,041
428,748	(31,356)	1,207,616	1,096,749
193,311	(61,989)	444,298	467,111
3,040	(8,575)	155,594	141,541
334	(1,100)	29,955	23,560
7,500		7,500	7,500
204,185	(71,664)	637,347	639,712
366,871	(72,610)	1,320,622	1,483,687
113,389		495,303	372,771
200,882	(264,690)	168,169	329,530
139,614	(1,578)	236,042	222,307
18,993		97,351	89,810
839,749	(338,878)	2,317,487	2,498,105
18,303	(231,302)	747,544	567,825
402,482		402,482	369,296
411,409		411,409	220,542
713,691		713,691	658,842
40,798		40,798	50,837
125,556		179,148	160,656
1,712,239	(231,302)	2,495,072	2,027,998
228,180		228,180	201,422
142,738		142,738	51,145
$5,346,243	$(723,562)	$21,844,563	$20,014,877

Schedule 6

Collegiate Division

	1985	1984
Income:		
Provincial Government Grants	$ 289,761	$ 224,690
Federal Government Grants	1,501	755
	291,262	225,445
Student Fees	948,078	860,487
Other Income	83,474	
Total Income	1,322,814	1,085,932
Expenditure:		
Salaries	838,941	730,059
Benefits	58,868	50,289
	897,809	780,348
Other Expenditure	165,491	62,950
Equipment and Renovations	67,346	14,521
Allocated Costs:		
Library	18,483	17,795
Student Services	13,100	13,100
Administration	62,100	96,390
Maintenance	47,591	42,601
Total Expenditure	1,271,920	1,027,705
Net Income, Statement II	$ 50,894	$ 58,227

Schedule 7

Faculty of Theology

	1985	1984
Income:		
Student Fees	$ 68,312	$ 64,375
Grants - United Church of Canada	71,400	62,099
Total Income	139,712	126,474
Expenditure:		
Salaries	132,747	153,525
Benefits	13,280	14,005
	146,027	167,530
Other Expenditure	52,246	17,228
Allocated Costs:		
Library	1,425	1,530
Administration	1,549	1,268
Maintenance	11,318	10,875
Total Expenditure	212,565	198,431
Net Expenditure, Statement II	$(72,853)	$(71,957)

Schedule 8

Ancillary Services

	Bookstore	Residence
Income	$1,194,972	$ 144,331
Expenditure:		
Salaries and Benefits	119,719	12,016
Cost of Goods Sold	949,066	
Supplies and Expenses	45,293	51,949
Maintenance & Administration	22,789	79,550
	1,136,867	143,515
Net Income (Expenditure), Statement II	$ 58,105	$ 816
Net Income (Expenditure) 1984	$ 46,000	$ (14,548)

Schedule 8

Food Service	Parking	Total	
		1985	1984
$136,951	$58,864	$1,535,118	$1,430,267
14,053	1,351	147,139	190,508
		949,066	891,839
37,299	41,454	175,995	125,700
69,127	12,940	184,406	181,924
120,479	55,745	1,456,606	1,389,971
$ 16,472	$ 3,119	$ 78,512	$ 40,296
$ 13,171	$(4,327)		

Schedule 9

Capital

	1985	1984
Income:		
Government Grants		
Provincial		
Capital Grants	$2,426,597	$5,443,392
Miscellaneous Capital Grants	534,924	668,247
Grant for Mortgage	40,055	40,055
	3,001,576	6,151,694
Federal	314,820	
	3,316,396	6,151,694
Other	59,945	
	3,376,341	6,151,694
Transfer from Trust		58,179
Statement II	$3,376,341	$6,209,873
Expenditure:		
Building and Sites		
Athletic Centre under Construction	$2,016,577	$5,443,392
Purchase - 376 Spence Street		38,179
MacNamara Hall Renovations	784,785	
	2,801,362	5,481,571
Equipment and Renovations	534,924	688,247
Other Expenditure - Mortgage	40,055	40,055
Statement II	$3,376,341	$6,209,873

Schedule 10

Special Provisions

	Renovations and Equipment Replacement	Self Insurance	Career Adjustment	Total
Balance Beginning of Year	$ 49,766			$ 49,766
Additions:				
Recovery Continuing Education	57,500			57,500
Provision 1984-1985	50,000	$25,000	$125,000	200,000
Balance End of Year, Statement II	$157,266	$25,000	$125,000	$307,266

Schedule 11

Changes to Trust and Endowment Fund

	Capital Accounts	Current Accounts	Total 1985	Total 1984
Additions:				
Gifts, grants and bequests	$ 2,870	$ 442,868	$ 445,738	$ 427,521
Investment Income		521,069	521,069	486,790
	2,870	963,937	966,807	914,311
Deductions:				
Library Books		28,497	28,497	20,298
Awards		382,164	382,164	376,208
Administration Costs		4,514	4,514	4,234
Other		55,447	55,447	28,087
		470,622	470,622	428,827
Transfer from Current Account to Capital Account	85,800	(85,800)		
Interfund Transfers		(279,523)	(279,523)	(331,394)
Net Change for Year	88,670	127,992	216,662	154,090
Balance Beginning of Year	2,996,535	2,125,622	5,122,157	4,968,067
Balance End of Year, Statement II	$3,085,205	$2,253,614	$5,338,819	$5,122,157

Schedule 12

Trust and Endowment Fund Accounts

Restricted Trust Fund Accounts:	Capital	Current	Total
Robert A. Anderson Memorial Scholarship	$1,000	$ 12	1,012
Dean O.T. Anderson Memorial Fund	2,000	259	2,259
R. Fletcher Argue Scholarship	6,110	1,236	7,346
Francis Winston Armstrong Entrance Scholarship	3,000	337	3,337
Art History Scholarship		350	350
Dr. & Mrs. H.C. Anderson Memorial Scholarship		1,280	1,280
C.E. Atchison Athletic Scholarship		125	125
Dr. A.B. Baird Bursaries		754	754
Fred D. Baragar Scholarship in Geography		562	562
Moira Bell Memorial Scholarship	2,800	445	3,245
Mary Bergstrom Memorial Bursary	1,300	335	1,635
Lucy H. Bertschinger Memorial Scholarship	5,000	1,132	6,132
Birks Family Foundation Bursary Plan - Trust		886	886
Birks Family Foundation Bursary Plan - Discretionary		925	925
Dr. Elinor F.E. Black Entrance Scholarship	2,000	135	2,135
Gordon Blake Memorial Fund	7,200	821	8,021
Dr. Gordon Blake Memorial Collegiate Prize in Economics	500	95	595
Dora Briggs Memorial Award for Ministry Training	8,852	5,369	14,221
Robert Bruce Bursaries		1,952	1,952
George Bryce Memorial Prize	5,800	1,020	6,820
Rev. Thomas Buchanan Memorial Scholarship	2,000	348	2,348
Hon. Theodore A. & Georgie K. Burrows Award		4,091	4,091
Logie Butchart Memorial Bursary	3,300	1,319	4,619
Canadian Forces Theological College Assistance Fund Bursaries	8,500	981	9,481
Robert Carswell Prize for Hebrew	5,500	395	5,895
Chemistry 300 Achievement Award	300	32	332
Chemistry Faculty Scholarship		788	788
Churchill Scholarship	2,500	455	2,955
Collegiate Alumni Association Prize in Biology 200	600	27	627
Collegiate Alumni Association Prize in Dramatic Studies	600	27	627
Collegiate Division Scholarship	2,779	5,319	8,098
Collegiate Alumni Association Prize in Film Studies 205	600	27	627
Collegiate Alumni - Evelyn Mills Prize in Mathematics 201	600	72	672
Collegiate Alumni - William Rutherford Prize in Physics 200	600	82	682
Collegiate Alumni - William Rutherford Prize in Computer Science	600	84	684
Collegiate Alumni Scholarship Fund		2,437	2,437
Collegiate Book Prize		481	481
Collegiate Century Club Prize in Geography 200	600	27	627
Collegiate Division 25 Year Award		360	360
Collegiate Loans		375	375
Collegiate Prize in English 201	600	77	677
Collegiate Students' Association 77-78 Entrance Scholarship	1,300	247	1,547
Collegiate Students' Association 82-83 Entrance Scholarship		2,479	2,479
Commercial Girls Club Book Prize	400	54	454
Cragg Bursaries	2,500	(725)	1,775
Dr. A.R. Cragg Memorial Collegiate Prize	1,000	345	1,345

Trust and Endowment Fund Accounts

	Capital	Current	Total
Rev. A.R. Cragg Scholarship in Psychology - Year I	7,500	1,350	8,850
Dr. A.R. Cragg Scholarship in Theology	7,500	2,319	9,819
G.R. Crowe Memorial Award	1,800	288	2,088
Dawson Bursary	15,000	1,414	16,414
DeFehr Memorial Scholarship	5,000	1,558	6,558
C.A. DeFehr & Sons Scholarship		12	12
John DeJong Collegiate Alumni Scholarship	1,000	557	1,557
Digital Award of Merit		200	200
Victor Dolmage Memorial Scholarship in Geography	3,150	355	3,505
James Dowsett Memorial Scholarship	1,000	27,126	28,126
Duckworth Scholarship in Physics	3,770	730	4,500
John Henry Duczek Jr. Memorial Scholarship	335	(29)	306
Anne Eagle Memorial Prize in French		100	100
Prof. Edwin D. Eagle Scholarship in History		187	187
Anne Eagle Memorial Scholarship in Women's Studies		169	169
Anne Eagle Memorial Scholarship in Classics		1,672	1,672
Economics Honours Prize	1,200	126	1,326
Hattie Edwards Scholarship in English	1,000	137	1,137
Lorne Elliott Scholarship in Sociology	1,800	348	2,148
English Department Scholarship		11,219	11,219
Robert McKee Frayne Bursary	4,000	609	4,609
Dean Gardner Freeman Scholarship	6,100	1,009	7,109
French Achievement Entrance Scholarship		428	428
Senior French Department Scholarship	5,000	287	5,287
French Departemnt Travel Scholarship		4,931	4,931
Frontier Club Award Fund	300	180	480
Sydney Gallis Memorial Fund	2,260	1,134	3,394
Rev. J.T. and Ethel Burton Gawthrop Award	1,800	168	1,968
General Scholarship Endowment Fund	13,179	9,735	22,914
Geography Scholarship Fund		285	285
Katherine Archibald George Memorial Scholarship in Sociology	4,440	727	5,167
German-Canadian Business and Professional Association of Manitoba		262	262
German Society of Winnipeg Scholarship		112	112
Lillian Gibbons Scholarship in the Humanities	5,000	480	5,480
Mrs. W.C. Graham Memorial Scholarship		300	300
R.N. Halstead Memorial Shakespeare Award	2,700	343	3,043
Carl N. Halstead Memorial Scholarship in History	1,700	353	2,053
C.N. Halstead History Prize in Grade XII		25	25
Rev. George H. Hambly Bursary	2,000	369	2,369
J. Hansen & Son Ltd. Athletics Award		50	50
Kenneth M. Hamilton Scholarship		5,037	5,037
F.S. Harstone Award in Theology	9,000	695	9,695
W.A. Hendry Memorial Scholarship in Theology	12,000	1,145	13,145
The Bethia Henry Memorial Scholarship in Democratic Studies & Sociology		167	167
Bethia Henry Memorial Scholarship in Sociology		175	175
History or English Book Prizes		10	10
History Faculty Scholarship Fund		20,984	20,984
B.G. Hogg Memorial Fund		2,721	2,721
D.C. Hogg Scholarship in Physical Sciences	2,300	396	2,696

Trust and Endowment Fund Accounts

	Capital	Current	Total
Helen Hogg Bursary		187	187
Carol (Hynes) Holtslag Memorial Scholarship in English		178	178
Humboldt Scholarship in Geography	3,700	1,259	4,959
IBM Canada Bursary		385	385
International Student Emergency Assistance		5,312	5,312
I.O.D.E. Emergency Fund		809	809
Duncan J. Jessiman School in Political Science		31	31
Olaf Christian Johnsen Memorial Scholarship		436	436
C.S. Jones Bursaries	17,400	1,530	18,930
Mrs. G.B. King Memorial Scholarship		1,130	1,130
John Ralph King, James Watt, and John Black Award	6,300	441	6,741
Tony Kozyra Memorial Scholarship	3,200	438	3,638
Leonard Krueger Scholarship in Astronomy	1,000	82	1,082
Krueger Scholarships		2,000	2,000
Ladies Orange Benevolent Association Scholarship		70	70
Lawson Scholarship in Mathematics	11,000	804	11,804
Victor Leathers Memorial Fund		4,103	4,103
Leather Collegiate Prize in French & Drama		200	200
Minnie E. LePage Memorial Bursary	2,000	538	2,538
Mrs. E. Kathleen Lightcap Bursary		1,213	1,213
Jo Lindal Memorial Scholarship	2,400	165	2,565
Alfred Duncan Longman Scholarship		79	79
Colleen M. Madsen Memorial Prize	600	112	712
Henry Mak Memorial Bursary		4,864	4,864
Manitoba United Church Women's Scholarship		75	75
Maureen McGill Marr Scholarship in History		300	300
Ruth Martin Memorial Athletic Award		4	4
Albert Clifford Matthews Memorial Scholarship in Political Science	2,500	328	2,828
John Maurer Scholarship Fund	2,000	292	2,292
John Dee Maurer Memorial Prize in Classics	500	103	603
Thomas MacLean Miller Scholarship in Religious Studies	3,000	539	3,539
Evelyn V. Mills Prize in Mathematics	1,500	233	1,733
Dr. Annie Mae Moore Memorial Entrance Scholarship		1,213	1,213
Dr. Andrew Moore Travelling Fellowships	50,000	11,700	61,700
Mooring-Griffioen Memorial Bursary		4,615	4,615
Orville More Memorial Scholarship		150	150
Alex Murray Memorial Fund	1,500	273	1,773
John David Murray Memorial Prize in English	1,225	259	1,484
MacBean Foundation Entrance Awards		20,352	20,352
Evelyn MacKay Bursary	1,000	422	1,422
W.J. McKeag Athletic Scholarship		250	250
James E. & Lyna McNeill Scholarship Fund	5,850	799	6,649
Miscellaneous Scholarships		15	15
Order of the Eastern Star - Grand Chapter		31	31
Charles R. Newcombe Scholarship in Religious Studies		134	134
Nisbet Memorial & Ruth Russell Winchester Scholarship	1,800	168	1,968
Thomas Nixon Award	2,400	475	2,875
Norrie Scholarship in Political Science	1,800	345	2,145
Dr. David Owens Memorial Memorial Scholarship	6,238	908	7,146
Dr. Robert Painchaud Canadian History Memorial Fund	12,402	2,540	14,942
Jack Paterson Memorial Fund	3,300	296	3,596

Trust and Endowment Fund Accounts

	Capital	Current	Total
Osbourne & Hazel Parkinson Scholarship	10,000	1,440	11,440
Mr.& Mrs. W.A.V. Pearce Memorial Bursary		11,302	11,302
Peat-Goodridge Prize		500	500
Physics Department Scholarship		52	52
Press Radio Scholarship Fund - Bursary for Orphans		3,224	3,224
C.L. Prober Memorial Scholarship	4,400	617	5,017
Province of Manitoba University Athletic Scholarship		1,904	1,904
C.A. Ray Memorial Bursary	1,000	37	1,037
Lewis J. Reycraft Scholarship	7,000	1,045	8,045
Dr. C.J. Robson Scholarship in Psychology		215	215
Dr. Arnold Rogers Scholarship	10,000	1,276	11,276
Celia & Philip Rogers Memorial Scholarship	10,000	1,276	11,276
Patricia Ruth Rogers Summer Science Research Scholarship for High School Students	7,931	2,605	10,536
Mary C. Rowell Prize	750	40	790
James McCallum Russell Bursary	2,400	123	2,523
A.D. Rutherford Prize in Mathematics	3,000	880	3,880
Rutherford-Altnow Scholarship in History	5,400	2,034	7,434
Allan J. Ryckman Memorial Scholarship		1,704	1,704
S.K. Sen Scholarship in Physics	4,200	(334)	3,866
Ralph Seymour Memorial Fund		947	947
Shanker Memorial Prizes	1,500	188	1,688
Shell Canada Ltd. Scholarship		100	100
Campbell K. Shepherd Memorial Fund	5,453	516	5,969
Saul Simkin Scholarship in Canadian Studies	9,000	1,741	10,741
H. Emerson Snyder Entrance Scholarship	6,500	1,162	7,662
Principal J.W. Sparling Scholarship	1,000	107	1,107
Walter J. Spence Bursary Fund	1,200	(91)	1,109
Louella Sprung Memorial Entrance Scholarship	5,032	290	5,322
Staples Endowment Fund Bursary	3,000	566	3,566
Sir William Stevenson Scholarship		10,769	10,769
Ronald F. Strachan Scholarship	200	73	273
Mary Perine Tait & Robert Anderson Award	5,300	349	5,649
Marion Taylor Memorial Scholarship in Sociology	3,000	477	3,477
Theology '52 Bursary		2,626	2,626
A.J. Thiessen Scholarship		4	4
Gladys K. Thompson Memorial Entrance Scholarship	2,500	319	2,819
Paul H.T. Thorlakson Athletics Award		37	37
Tomlinson Memorial Scholarship - Grade XII	4,200	711	4,911
Dean Lorne A. Tomlinson Memorial Entrance Bursary In Collegiate		4,523	4,523
Transcona Memorial United Church Scholarship	1,000	194	1,194
United Church of Canada Collegiate Entrance Bursary	2,000	463	2,463
United College Collegiate Graduates Bursary		3,616	3,616
University of Winnipeg Women's Auxiliary Undergraduate Scholarship		330	330
University of Winnipeg Women's Auxiliary Pastoral Theology		1,051	1,051
University of Winnipeg Women's Auxiliary Scholarship in Religious Studies		206	206
Visa Students Collegiate Bursary Fund		760	760
Mary Walker Award	16,300	838	17,138
War Amputations (Manitoba Branch) Entrance Scholarship	12,000	3,139	15,139
Ruth Warne Entrance Scholarship	500	(117)	383

Trust and Endowment Fund Accounts	Capital	Current	Total
James T. Watson Scholarship	45,000	16,993	61,993
Wesmen Booster Club		57,396	57,396
Winnipeg Police Association Scholarship	6,000	944	6,944
Winnipeg Rh. Institute		5,297	5,297
Winnipeg United Church Women's Scholarships		2,265	2,265
Joseph Wolinsky Memorial Scholarship in Psychology		47	47
Joseph Wolinsky Memorial Scholarships in Social Sciences		125	125
Dr. Philip B. Wright Memorial Scholarship	1,700	306	2,006
The Writer's Circle Prizes		2,459	2,459
Yamaha Canada Music Ltd. Scholarship		25	25
Entrance Scholarship Program	126,000	100,906	226,906
Alumni Archives Fund		1,020	1,020
Alumni Project Green		784	784
Ashdown Memorial Book Collection		2,528	2,528
Moira Bell Book Fund	1,000	885	1,885
J.K.A. Brown Memorial Fund		292	292
R.H.G. Bonnycastle Lecture Series		2,540	2,540
Chapel Fund		407	407
Collegiate Alumni Fund		1,908	1,908
Rev. J. Cooper Loan Fund	29,455		29,455
John & Alice Crabb Memorial Book Collection		28,161	28,161
Dr. H.E. Duckworth Book Fund (Fletcher)		426	426
Dr. H.E. Duckworth Book Fund (U.W.S.A.)		488	488
Benjamin Foreman Fund	1,046	371	1,417
Arthur Bertram Gardiner Memorial Fund	5,000	1,051	6,051
Grace Church Book Fund	6,000	664	6,664
Senator James Campbell Haig Book Fund	5,000	1,978	6,978
Senator John T. Haig Memorial Book Fund	8,000	3,043	11,043
Roderick O.A. Hunter Lecture Series		3,974	3,974
Elizabeth Laird Fund	18,431	6,569	25,000
Library Book Fund - General		6,148	6,148
Library Book Fund - Restricted		2,060	2,060
Mennonite Centre Fund		723	723
Morrison Fund	13,900	4,987	18,887
Newcombe Family Foundation	30,000	4,704	34,704
Newcombe Periodicals Collection		7,748	7,748
James A. & Muriel S. Richardson Memorial Book Collection		15,440	15,440
R.C.A.F. Book Fund	2,500	318	2,818
George Taylor Chair		10,513	10,513
Dr. & Mrs. Paul H.T. Thorlakson		365	365
Ukrainian Canadian Shevchenko Book Fund		236	236
University of Winnipeg Fund		24,028	24,028
Other Restricted Gifts and Bequests		12,290	12,290
Theology	243,302		243,302
Mennonite Studies	692,929	(6,045)	686,884
Amounts to be recovered		(3,457)	(3,457)
Restricted Trust Fund Accounts	1,727,919	604,118	2,332,037
Unrestricted Trust Fund Accounts	1,357,286	1,649,496	3,006,782
Total Trust	$3,085,205	$2,253,614	$5,338,819

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

UNIVERSITY OF WINNIPEG PENSION PLAN

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Statements I and II and Schedule 1 of the University of Winnipeg Pension Plan for the nine month period ended December 31, 1984. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University of Winnipeg Pension Plan as at December 31, 1984 and the results of its operations for the nine month period then ended in accordance with the accounting policies stated in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

May 1, 1985,
Winnipeg, Manitoba.

Statement I

UNIVERSITY OF WINNIPEG PENSION PLAN

STATEMENT OF FINANCIAL POSITION

as at 31 December 1984
(with comparative figures for 31 March 1984)

	31 December 1984	31 March 1984
ASSETS		
Cash	$ -	$ 1,062
Accrued interest receivable	308,133	301,547
Investments - at cost, Schedule 1	17,922,906	15,595,305
	$18,231,039	$15,897,914
LIABILITIES		
Accounts payable	$ 12,739	$ 8,424
Due to University of Winnipeg Operating Fund	2,368	-
Reserve for Pension Benefits, Statement II	18,215,932	15,889,490
	$18,231,039	$15,897,914

Approved on behalf of the Pension Trustees

Statement II

UNIVERSITY OF WINNIPEG PENSION PLAN

STATEMENT OF RESERVE FOR PENSION BENEFITS

for the Nine Months ended 31 December 1984
(with comparative figures for the year ended 31 March 1984)

	31 December 1984	31 March 1984
ADDITIONS		
Contributions		
Members - regular	$ 571,998	$ 666,332
- voluntary	137,865	109,023
University	571,998	666,332
Refund from group annuity	19,229	29,135
Investment income	1,317,773	1,556,744
Realized gain on sale of securities	-	79,996
	2,618,863	3,107,562
DEDUCTIONS		
Payments to or on behalf of members		
Pensions to retired members	140,385	166,130
Death benefits	59,151	19,817
Refunds and transfers to other plans	45,492	45,040
	245,028	230,987
Administrative expenses		
Investment fees	18,611	23,436
Actuarial fees	6,835	10,877
Administrator's fees	7,755	10,163
Custodial fees	9,791	12,000
Audit and other expenses	4,401	3,500
	47,393	59,976
NET CHANGE	2,326,442	2,816,599
BALANCE AT BEGINNING OF YEAR	15,889,490	13,072,891
BALANCE AT END OF YEAR, Statement I	$18,215,932	$15,889,490

Schedule 1

UNIVERSITY OF WINNIPEG PENSION PLAN

SUMMARY OF INVESTMENTS

as at 31 December 1984
(with comparative figures for 31 March 1984)

	31 December 1984			31 March 1984		
	Cost	Market	% of Cost	Cost	Market	% of Cost
Bonds	$10,025,682	$10,075,317	56.0	$ 9,495,057	$ 8,661,290	60.9
Stocks	3,304,823	3,364,250	18.4	2,120,308	2,092,938	13.6
Mortgages	3,496,439	3,646,330	19.5	3,227,145	3,244,249	20.7
Short-term	1,095,962	1,095,962	6.1	752,795	752,795	4.8
Total Investments, Statement I	$17,922,906	$18,181,859	100.0	$15,595,305	$14,751,272	100.0

UNIVERSITY OF WINNIPEG PENSION PLAN

Notes to the Financial Statements

as at 31 December 1984

1. These financial statements have been prepared on an accrual basis of accounting. Investments are carried at cost with no amortization of premium or discount.

2. On 24 September 1984 the Board of Regents approved the change in the name of the Plan from the University of Winnipeg Retirement Plan to the University of Winnipeg Pension Plan.

3. On 24 September 1984 the Board of Regents approved the change in the fiscal year end of the Plan from 31 March to 31 December.

4. These financial statements do not take into account actuarial valuations, and therefore do not reflect the financial position of the Plan on an actuarial valuation basis.

5. An actuarial valuation of the University of Winnipeg Pension Plan was completed 1 September 1982. This valuation showed a surplus of $588,518 before the implementation of certain improvements to the plan benefits. The cost of these improvements, according to an actuarial review, does not exceed the surplus. Any unfunded liability that may arise from future valuations will be funded by the University since this is a defined-benefit plan.

6. The University provides administrative services at no charge to the Plan.

Manitoba

VENTURE MANITOBA TOURS LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Venture Manitoba Tours Ltd. as at March 31, 1985, the statements of operations and deficit and changes in financial position and the schedule of general and administrative expenses for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Venture Manitoba Tours Ltd. as at March 31, 1985 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

JWSingleton

J. W. Singleton, C.A.,
Assistant Provincial Auditor.

November 29, 1985,
Winnipeg, Manitoba.

Exhibit A

VENTURE MANITOBA TOURS LTD.

Balance Sheet
as at March 31, 1985

	1985	1984
ASSETS		
Current assets:		
Accounts receivable:		
Trade	$ 72,858	$ 81,649
Government of the Province of Manitoba	55,336	-
Inventories (Note 2)	83,178	78,208
Prepaid expenses	23,377	28,246
Total current assets	234,749	188,103
Fixed assets (Note 2, 4)	1,885,975	761,016
	$ 2,120,724	$ 949,119
LIABILITIES		
Current liabilities:		
Bank indebtedness (Note 5)	$ 554,496	$ 156,938
Accounts payable and accrued charges	755,139	278,786
Advance deposits	40,511	37,156
Current portion of obligation under capital lease	5,002	4,343
Unapplied grant funds (Note 4)	681,264	204,204
Total current liabilities	2,036,412	681,427
Advance from the Government of the Province of Manitoba (Note 6)	300,000	-
Obligation under capital lease (Note 7)	19,202	24,214
Total liabilities	2,355,614	705,641
SHAREHOLDER'S EQUITY		
Share capital:		
Authorized - 1,500,000 shares without par value to a maximum consideration of $1,500,000		
Issued and fully paid - 556,000 shares (Note 1)	556,000	556,000
Grant from the Government of the Province of Manitoba (Note 8)	257,910	257,910
Deficit, Exhibit B	(1,048,800)	(570,432)
	(234,890)	243,478
	$ 2,120,724	$ 949,119

Exhibit B

VENTURE MANITOBA TOURS LTD.

Statement of Operations and Deficit
for the year ended March 31, 1985

	1985	1984
Sales and other income	$ 1,424,335	$ 1,517,832
Cost of sales	340,348	302,642
Gross profit	1,083,987	1,215,190
Departmental expenses:		
Salaries, wages and benefits	515,250	547,527
Other	58,174	58,339
	573,424	605,866
Departmental income	510,563	609,324
General and administrative expenses, Schedule 1	775,077	686,269
Loss before depreciation, amortization and interest expense	264,514	76,945
Depreciation and amortization	42,422	48,615
Interest expense	54,674	69,075
Operating loss	361,610	154,635
Expenses incurred during resort closure (Note 3)	116,758	-
Loss for the year	478,368	194,635
Deficit, beginning of year	570,432	375,797
Deficit, end of year, Exhibit A	$ 1,048,800	$ 570,432

Exhibit C

VENTURE MANITOBA TOURS LTD.

Statement of Changes in Financial Position for the year ended March 31, 1985

	1985	1984
Sources of working capital:		
Portion of expansion grant applied	$ 1,222,940	$ 45,796
Advance from the Government of the Province of Manitoba (Note 6)	300,000	-
Proceeds from sale of fixed assets	5,070	6,736
Long-term capital lease obligation incurred	-	31,201
	1,528,010	83,733
Application of working capital:		
To operations:		
Loss for the year, Exhibit B	478,368	194,635
Add (deduct): Items not affecting working capital:		
Depreciation	(52,515)	(48,615)
Gain on sale of fixed assets	1,183	6,736
	427,036	152,756
Additions to fixed assets	2,404,301	143,944
Reclassification of current portion of obligation under capital lease	5,012	4,343
Repayment of obligation under capital lease	-	2,644
	2,836,349	303,687
Decrease in working capital	1,308,339	219,954
Working capital deficiency, beginning of year	493,324	273,370
Working capital deficiency, end of year	$ 1,801,663	$ 493,324
Components of working capital:		
Current assets	$ 234,749	$ 220,165
Current liabilities	2,036,412	713,489
Working capital deficiency	$ 1,801,663	$ 493,324

VENTURE MANITOBA TOURS LTD.

Schedule of General and Administrative Expenses
for the year ended March 31, 1985

	1985	1984
Administration:		
Salaries, wages and benefits	$ 94,119	$ 88,870
Legal, accounting and audit	32,376	26,493
Telephone	31,608	29,086
Miscellaneous	25,828	17,687
Administrative services (Note 9)	23,975	21,000
Credit card discount	14,830	15,397
Insurance	12,692	9,333
Printing and stationery	9,651	5,488
Transportation	8,569	8,912
Directors' expenses	8,252	4,383
Equipment rental	7,442	11,037
Bad debt expense	6,384	7,455
Postage	2,873	2,476
Service charges	2,178	989
	280,777	248,606
Energy and maintenance:		
Propane and hydro	107,032	125,604
Wages and benefits - maintenance staff	41,456	43,479
Maintenance services - Parks Branch	27,500	36,001
Equipment and parts	12,263	7,806
Automobile	10,330	10,399
Repairs	8,993	13,230
Air conditioning and refrigeration	5,739	1,529
Miscellaneous	4,678	4,871
Furniture	150	144
	218,141	243,063
Recreation department:		
Salaries and benefits	38,588	48,733
Equipment and supplies	5,994	6,424
	44,582	55,157

Schedule 1

VENTURE MANITOBA TOURS LTD.

Schedule of General and Administrative Expenses for the year ended March 31, 1985

	1985	1984
Sales promotion:		
Advertising and promotion	$ 128,145	$ 45,779
Salaries and benefits - marketing staff	18,857	18,744
Printing and stationery	9,366	9,956
Miscellaneous	4,946	1,094
Travel	3,560	3,838
Office accomodation	1,980	1,980
	166,854	81,391
Employee room and board and transportation:		
Employee meals	37,598	33,232
Employee transportation	15,156	10,915
Rent - staff quarters	3,900	3,900
Repairs - staff quarters	1,445	1,763
Utilities - staff quarters	6,624	8,242
	64,723	58,052
Total general and administrative expenses, Exhibit B	$ 775,077	$ 686,269

VENTURE MANITOBA TOURS LTD.

Notes to the Financial Statements
March 31, 1985

1. Status of the corporation and nature of its operations

The Company is incorporated under the Manitoba Corporations Act. The issued share capital is owned by the Minister of Finance of the Government of the Province of Manitoba.

The Government of the Province of Manitoba owns the Gull Harbour Resort and Conference Centre. The Company operates the resort for its own account, without rental charge, under a lease agreement with the Province. The resort is situated in the Hecla Provincial Park and is not subject to realty taxes.

2. Significant accounting policies

(a) Inventories

Inventories are valued at the lower of cost, determined on the first-in-first-out method, and net realizable value.

(b) Fixed assets

The fixed assets, which do not include the original resort owned by the Province of Manitoba, are recorded at cost less applied grant funds and accumulated depreciation. Depreciation, with the exception of automobiles, is calculated on a straight line basis at rates, shown below, which will amortize the cost over the estimated useful life of the assets.

Building addition	40 years
Furniture and fixtures	2 1/2 to 10 years
Leasehold improvements	2 1/2 to 40 years
Staff trailers	3 to 25 years
Automobiles	30 percent declining balance
Equipment under capital lease	10 years

Grants funds provided for the resort expansion, renovations and refurbishing are to pay one-half of the total costs. The grant funds are applied against the construction costs on this basis as the costs are incurred.

(c) Capital lease

Assets which are acquired by way of long-term leases which are financing in nature are capitalized at fair market value less applied grant funds received and are included as fixed assets in the financial statements. The amounts included in fixed assets in respect of leased assets are at the fair market value (cost) of $31,201 less government grants of $15,601.

3. Resort expansion, renovations and refurbishing

The Government of the Province of Manitoba has approved the resort expansion, renovation and refurbishing project estimated to cost $4,000,000. The resort expansion was completed subsequent to the year-end. The costs incurred after March 31, 1985 were approximately $1,400,000.

3. Resort expansion, renovations and refurbishing (continued)

The resort was closed for two and one-half months as a result of the construction. The resort's meeting rooms were not functional for an additional five months due to the renovations. Expenses incurred during the resort closure, other than those which resulted in revenue, were segregated from operating expenses incurred during the normal operating periods. These expenses included depreciation of $10,093 and interest of $19,160.

4. Fixed Assets

The fixed assets shown on the balance sheet at March 31, 1985 are:

	1985			1984
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Building addition	$ 506,548	$ 32,637	$ 473,911	$ 486,636
Furniture and fixtures	237,332	61,601	175,731	146,610
Leasehold improvements	470,687	54,611	416,076	28,033
Staff trailers	36,703	18,820	17,883	22,267
Automobiles	1,189	781	408	4,469
Equipment under capital lease	15,601	2,340	13,261	14,820
	1,268,060	170,790	1,097,270	702,835
Construction in progress	788,704	-	788,704	58,181
	$ 2,056,764	$ 170,790	$ 1,885,974	$ 761,016

Grant funds received from the Government of the Province of Manitoba are applied to the cost of fixed assets. The funds applied to fixed assets and the unapplied grant funds as at March 31, 1985 are as follows:

	1985	1984
Beginning balance	$ 204,204	$ -
Grants received:		
Destination Manitoba	700,000	250,000
Jobs Fund	1,000,000	-
Total grants received	1,700,000	250,000
	1,904,204	250,000
Less amount applied to fixed assets	1,222,940	45,796
Unapplied grant funds, Exhibit A	$ 681,264	$ 204,204

5. Bank Indebtedness

	1985	1984
Bank loan	$ 500,000	$ 189,000
Bank overdraft (balance)	54,496	(32,062)
	$ 554,496	$ 156,938

The Government of the Province of Manitoba has guaranteed a line of credit for the Company to a maximum of $800,000.

6. Advance from the Government of the Province of Manitoba

The Government of the Province of Manitoba approved $1,500,000 to advance to Venture Manitoba Tours Ltd. to assist in financing the resort expansion. As at March 31, 1985 $300,000 had been received.

The advance bears interest at the bank prime lending rate from the date of receipt to the date of repayment. Interest is payable quarterly. The advance is repayable at any time in whole or in part on demand.

7. Capital Lease

The following is a scheule of future minimum lease payments under the capital lease expiring September 1988 together with the balance of the obligation under the capital lease.

1986	$ 8,133
1987	8,133
1988	8,133
1989	7,187
Total minimum lease payments	31,586
Less amount representing interest	7,382
Balance of the obligation	24,204
Less current portion	5,002
	$ 19,202

8. Grant from the Government of the Province of Manitoba

In July, 1982 the Company received a conditional grant of $325,000 from the Government of the Province of Manitoba. The conditions are that it is repayable by annual payments of $100,000 from operating profits beginning in the fiscal year ended March 31, 1983 and that the outstanding balance of the grant is subject to interest at 16% per annum. No principal repayments were made during the year.

9. Administrative services

Management and accounting services are provided by Community Hotels (1971) Limited under the terms of a management agreement which expires March 31, 1987. The agreement provided for payment of an annual performance bonus based on profits in excess of $70,000. No performance bonus was paid for 1985 or 1984.

10. Restatement of accounts

Comparative figures for the year ended March 31, 1984 have been restated where necessary to conform with the presentation adopted for the year ended March 31, 1985.

11. Economic dependence

The Company is economically dependent on the Government of the Province of Manitoba.

12. Services provided by the Province

The Government of the Province of Manitoba provides certain management and administrative services without charge to the Company. These are not reflected in the financial statements.

MEYERS
NORRIS
PENNY & Co.

CHARTERED ACCOUNTANTS

160 - 14th Street
Brandon, Manitoba
Box 1270 — R7A 6K4
(204) 727-0661

PARTNERS:

R.A. MEYERS, C.A.
D.W.A. NORRIS, C.A.
D.H. PENNY, F.C.A.
R.D. BAKER, C.A.
J.R. MORROW, C.A.
P.E.W. SAWYER, C.A.
N.F. COCHRANE, C.A.
D.H. DENNISON, C.A.
D.L. CANNONS, C.A.
G.A. HORNE, C.A.
J.F. FINLAYSON, C.A.
D.M. McCONNELL, C.A.
T.D. KIRKUP, C.A.
P.S. ECKERSLEY, C.A.
J.D. STEWART, C.A.
D.L. RITCHIE, C.A.
B.D. PRITCHARD, C.A.

21st March 1985

The Members of the Board
The Whitemud Watershed Conservation
District

AUDITORS' REPORT

We have examined the balance sheet of The Whitemud Watershed Conservation District, as at 31st December 1984 and the statements of revenue and expenditures for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the District as at 31st December 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Meyers Norris Penny & Co
Chartered Accountants

STATEMENT 1

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

BALANCE SHEET AS AT 31ST DECEMBER 1984

	1984	1983
ASSETS		
CURRENT ASSETS		
Cash	196,479	45,542
Term deposits		120,000
Accounts receivable	54,791	28,434
Inventory of supplies	33,621	41,938
Prepaid expenses and accrued interest	3,222	1,894
	288,113	237,808
FIXED ASSETS - Note 2	51,232	58,647
	339,345	296,455
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	77,168	55,425
Customer deposits	313	615
	77,481	56,040
SURPLUS		
WATERSHED PROGRAMS		
Sub-District Program - Statement 2	51,389	29,210
General Board Program - Statement 3	90,751	95,821
Equipment Program - Statement 4	42,570	37,825
Inventory Program - Statement 5	36,277	33,065
Rosedale Farm Program - Statement 6	6,815	8,279
Emergency Reserve	30,000	30,000
Sick leave reserve - Note 3	4,062	6,215
	261,864	240,415
	339,345	296,455

STATEMENT 2

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - SUB-DISTRICT PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	Willowbend Creek #35	Westbourne Drain #36	Squirrel Creek #37	Pine Creek #38
REVENUE				
Municipal levies	24,211	24,551	13,121	18,894
Province of Manitoba	46,451	71,446	36,351	95,432
	70,662	95,997	49,472	114,326
EXPENDITURES				
Crossing repair	3,870	6,925	2,834	22,846
Weed and bush control	8,169	10,704	1,816	8,306
Channel stabilization				
Channel maintenance	35,007	11,940	21,791	42,532
Channel construction	9,481	63,520	22,654	45,701
Culverts and structures				
Miscellaneous				
	56,527	93,089	49,095	119,385
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	14,135	2,908	377	(5,059)
SURPLUS (AT DEFICIT) - BEGINNING OF YEAR	(11,807)	(754)	2,782	6,260
SURPLUS - END OF YEAR	2,328	2,154	3,159	1,201

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - SUB-DISTRICT PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

Central Whitemud #39	Upper Whitemud #40	Big Grass Marsh #42	Big Grass River #43	Total 1984	Total 1983
31,966	13,816	22,351	44,555	193,465	195,636
71,125	43,251	75,573	310,715	750,344	593,903
103,091	57,067	97,924	355,270	943,809	789,539
13,131	11,333	46,397	15,734	123,070	125,439
7,077	10,829	3,698	11,882	62,481	70,272
48,472	32,831			81,303	94,083
23,123		27,878		162,271	136,947
		17,064	179,061	337,481	233,926
			150,005	150,005	81,265
5,019				5,019	14,995
96,822	54,993	95,037	356,682	921,630	756,927
6,269	2,074	2,887	(1,412)	22,179	32,612
9,815	2,074	4,737	16,103	29,210	(3,402)
16,084	4,148	7,624	14,691	51,389	29,210

STATEMENT 3

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - GENERAL BOARD PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	1984	1983
REVENUE		
Municipal levies		9,902
Province of Manitoba	165,206	149,183
Direct charges	1,463	18,551
Interest earned	13,768	9,327
Individual contributions	15,598	33,971
Transfer from Equipment program	4,606	18,183
Sale of equipment	750	
	201,391	239,117
EXPENDITURES		
Administrative		
Watershed manager salary and expenses	38,406	37,706
Secretary-treasurer salary	9,914	8,543
Board members remuneration and expenses	7,051	11,312
Professional fees	3,410	3,175
Rent	2,400	2,250
Conservation District Authority of Manitoba - Note 4	6,623	2,644
Office supplies	5,675	5,161
Insurance	631	355
Depreciation	439	375
Public relations	315	306
Miscellaneous	753	877
Small tools purchases	1,392	1,863
	77,009	74,567
Specific Programs		
Forage crops	74,070	80,483
Shelter belts	19,561	21,762
Shelter belt spraying	8,111	9,287
Wild lands	6,622	7,298
Grassed waterways	225	1,309
Resource extension and public education	14,931	12,268
Conservation corridors	2,036	
Demonstrations	2,433	1,291
	127,989	133,698
Direct Expenses	1,463	18,551
	206,461	226,816
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(5,070)	12,301
SURPLUS - BEGINNING OF YEAR	95,821	83,520
SURPLUS - END OF YEAR	90,751	95,821

STATEMENT 4

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - EQUIPMENT PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	1984	1983
REVENUE		
Rentals	49,288	48,172
Gain on the sale of equipment		1,038
	49,288	49,210
EXPENDITURES		
Fuel and oil	7,084	8,031
Repairs and maintenance	14,780	9,514
Insurance and licences	639	685
Depreciation	11,264	9,381
Wages	4,136	2,933
Transfer to General Board program	4,606	18,183
	42,509	48,727
EXCESS OF REVENUE OVER EXPENDITURES	6,779	483
SURPLUS - BEGINNING OF YEAR	37,825	37,342
	44,604	37,825
ADJUSTMENT TO SURPLUS - Note 5	2,034	
SURPLUS - END OF YEAR	42,570	37,825

STATEMENT 5

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF EARNINGS AND SURPLUS - INVENTORY PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	1984	1983
SALES	39,934	31,746
COST OF SALES		
Inventory - Beginning of year	36,812	29,513
Purchases	33,104	35,894
	69,916	65,407
Inventory - End of year	33,621	36,812
	36,295	28,595
GROSS PROFIT	3,639	3,151
EXPENDITURES		
Wages	1,931	3,435
Insurance	92	141
Yard maintenance	724	2,459
Depreciation	318	1,025
	3,065	7,060
NET EARNINGS (LOSS)	574	(3,909)
SURPLUS - BEGINNING OF YEAR	33,065	36,974
ADJUSTMENT TO SURPLUS - Note 5	2,638	
SURPLUS - END OF YEAR	36,277	33,065

STATEMENT 6

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

STATEMENT OF REVENUE AND EXPENDITURES AND SURPLUS - ROSEDALE FARM PROGRAM

FOR THE YEAR ENDED 31ST DECEMBER 1984

	1984	1983
REVENUE	12,407	9,165
EXPENDITURES		
Inventory - Beginning of year	5,126	
Fertilizer and renovating	5,455	3,852
Taxes	785	
Miscellaneous	65	13
Harvesting	2,440	4,535
	13,871	8,400
Inventory - End of year		5,126
	13,871	3,274
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(1,464)	5,891
SURPLUS - BEGINNING OF YEAR	8,279	2,388
SURPLUS - END OF YEAR	6,815	8,279

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1984

NOTE 1 - ACCOUNTING POLICIES

ENTITY DEFINITION

The Whitemud Watershed Conservation District was established by an Order-in-Council of the Province of Manitoba on the 22nd March 1972. The district receives funding from the Province of Manitoba and certain municipalities and is governed by a board of directors from the various municipalities involved in the conservation district.

INVENTORY

Inventory is valued at cost and determined on a first in first out basis.

FIXED ASSETS

Fixed assets are recorded at cost.

DEPRECIATION

Depreciation is recorded on the straight line method at the following rates:

Building	5%
Fence	5%
Equipment	15%
Pump equipment	50%

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1984

NOTE 2 - FIXED ASSETS

The following is a summary of the fixed asset and accumulated depreciation accounts:

	Balance Beginning Of Year	Additions	Balance End Of Year
Fixed Assets			
Land	1,835		1,835
Building	14,783		14,783
Fence	5,339		5,339
Equipment	85,510	4,607	90,117
Pump equipment	261		261
	107,728	4,607	112,335
Accumulated Depreciation			
Building	4,435	739	5,174
Fence	2,002	267	2,269
Equipment	42,383	11,016	53,399
Pump equipment	261		261
	49,081	12,022	61,103
Net Book Value	58,647		51,232

NOTE 3 - SICK LEAVE RESERVE

The reserve has been established to recognize the accrual of sick leave of the employees. The employees accrue sick leave at the rate of one and a quarter days per month employed. At 31st December 1984, the aggregate amount of possible claims was $91,300.

NOTE 4 - CONSERVATION DISTRICT AUTHORITY OF MANITOBA

These costs represent an allocation of certain administration expenses of the Conservation District Authority of Manitoba and are fully funded by the Province of Manitoba.

THE WHITEMUD WATERSHED CONSERVATION DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1984

NOTE 5 - ADJUSTMENT TO SURPLUS

The District changed their policy of allocation of certain expenses between the General Board, equipment and inventory program. This change resulted in a decrease to the equipment program surplus of $2,034 and a increase to the inventory program surplus of $2,638. The prior years expense have not been restated.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

WINNIPEG RACING LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Winnipeg Racing Ltd. as at December 31, 1984 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Winnipeg Racing Ltd. as at December 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

May 6, 1985,
Winnipeg, Manitoba.

Exhibit A

WINNIPEG RACING LTD.

BALANCE SHEET
As at December 31, 1984
(with 1983 figures for comparison)

ASSETS

	1984	1983
Current:		
Bank - General	$ 5,296	$ 20,589
- Horsemen's Account	11	11
	5,307	20,600
Accounts receivable	878	709
Total Assets	$ 6,185	$ 21,309

LIABILITIES

	1984	1983
Current:		
Accounts payable	$ 500	$ 1,932
Total Liabilities	500	1,932

EQUITY

Capital Stock:
Authorized issue: Unlimited number of shares - class "A" voting
Unlimited number of shares - class "B" non-voting

	1984	1983
Issued and fully paid - 100 class "A" shares (Note 3)	-	100
Accumulated earnings - Exhibit B	5,685	19,277
Total Equity	5,685	19,377
Total Liabilities and Equity	$ 6,185	$ 21,309

Exhibit B

WINNIPEG RACING LTD.

STATEMENT OF OPERATIONS
For the Year Ended December 31, 1984
(with 1983 figures for comparison)

	1984	1983
Income:		
Interest	$ 1,635	$ -
Income on asset realization and discharging liabilities	-	11,320
	1,635	11,320
Expense:		
Professional fees	227	1,932
Interest assumed by agreement with Receiver	-	4,068
	227	6,000
Net income	1,408	5,320
Accumulated earnings at beginning of year	19,277	13,957
	20,685	19,277
Allocation of accumulated earnings (Note 4)	(15,000)	-
Accumulated earnings at end of year - Exhibit A	$ 5,685	$ 19,277

WINNIPEG RACING LTD.

Notes to Financial Statements
December 31, 1984

1. **Nature of the Corporation**

Winnipeg Racing Ltd. was established in July 1982, subsequent to the former operator of Assiniboia Downs being placed in receivership, to provide for thoroughbred racing for the remainder of the 1982 season. Operations since December 31, 1982 have consisted solely of a realization of assets and discharge of liabilities with a view to winding up the Corporation. This process is continuing.

2. **Accounting Policy**

The accounts are maintained in accordance with generally accepted accounting principles.

3. **Redemption of Capital Stock**

In the course of winding up the Corporation, the capital stock has been redeemed at the issued price of $100.

4. **Allocation of Accumulated Earnings**

Pursuant to an agreement with The Horse Racing Commission any surplus upon windup will be paid to the Commission.

5. **Administration of the Corporation**

Administrative services during the year ended December 31, 1984 were provided to the Corporation without charge by the Manitoba Development Corporation.

6. **Subsequent Event**

Winnipeg Racing Ltd. has been dissolved effective March 1, 1985.

MANITOBA

PROVINCE OF MANITOBA
PROVINCIAL AUDITOR

WINNIPEG RACING LTD.

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the balance sheet of Winnipeg Racing Ltd. as at March 1, 1985 and the statement of operations for the period January 1 to March 1, 1985. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Winnipeg Racing Ltd. as at March 1, 1985 and the results of its operations for the period then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

F. H. Jackson, C.A.,
Provincial Auditor.

May 6, 1985,
Winnipeg, Manitoba.

Exhibit A

WINNIPEG RACING LTD.

BALANCE SHEET
As at March 1, 1985
(with December 31, 1984 figures for comparison)

ASSETS

	March 1 1985	December 31 1984
Current:		
Bank - General	$ -	$ 5,296
- Horsemen's Account	-	11
	-	5,307
Accounts receivable	-	878
Total Assets	$ -	$ 6,185

LIABILITIES

Current:		
Accounts payable	$ -	$ 500

EQUITY

Accumulated earnings - Exhibit B	-	5,685
Total Liabilities and Equity	$ -	$ 6,185

Exhibit B

WINNIPEG RACING LTD.

STATEMENT OF OPERATIONS
For the Period January 1 to March 1, 1985
(with 1984 figures for comparison)

	January 1 to March 1 1985	January 1 to December 31 1984
Income:		
Interest	$ 47	$ 1,635
Expense:		
Professional fees	-	227
Net income	47	1,408
Accumulated earnings at beginning of year	5,685	19,277
	5,732	26,085
Allocation of accumulated earnings (Note 3)	(5,732)	(15,000)
Accumulated earnings at end of year - Exhibit A	$ -	$ 5,685

WINNIPEG RACING LTD.

Notes to Financial Statements
March 1, 1985

1. Nature of the Corporation

Winnipeg Racing Ltd. was established in July 1982, subsequent to the former operator of Assiniboia Downs being placed in receivership, to provide for thoroughbred racing for the remainder of the 1982 season. Operations since December 31, 1982 have consisted solely of a realization of assets and discharge of liabilities with a view to winding up the Corporation. This process has been completed and the Corporation was dissolved effective March 1, 1985.

2. Accounting Policy

The accounts were maintained in accordance with generally accepted accounting principles.

3. Allocation of Accumulated Earnings

Pursuant to an agreement with The Horse Racing Commission, the surplus upon windup was paid to the Commission.

4. Redemption of Capital Stock

In the course of winding up the Corporation, the capital stock was redeemed at the issued price of $100 on December 31, 1984.

5. Administration of the Corporation

Administrative services during the period January 1 to March 1, 1985 were provided to the Corporation without charge by the Manitoba Development Corporation.

PEAT
MARWICK

Peat, Marwick, Mitchell & Co.
500 - 363 Broadway Avenue
Winnipeg, Manitoba R3C 3N9
(204) 949-1594

AUDITORS' REPORT

To The Workers Compensation Board of Manitoba:

We have examined the balance sheet (being Exhibit 1) of The Workers Compensation Board of Manitoba as at December 31, 1984 and the accompanying financial statements (being Exhibits 2 to 5) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Board at December 31, 1984 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

Winnipeg, Canada
February 18, 1985

Peat, Marwick, Mitchell & Co.
Chartered Accountants

The Workers Compensation Board of Manitoba

EXHIBIT 1

Balance Sheet

as at December 31, 1984
(with comparative figures for 1983)

Assets

	1984	1983
Assessments receivable (Note 1)	$ 209,086	$ 185,093
Employees' and sundry accounts receivable	248,850	157,733
Recoverable from:		
The Government of Canada (Note 2)	167,881	251,197
The Province of Manitoba	—	65,000
Deferred cost of pension increases (Note 3)	25,557,330	31,101,456
Investment in securities as authorized by The Trustee Act, Manitoba, Exhibit 5 (Note 4)	163,755,753	166,242,246
Accrued interest on investments	3,141,130	3,133,148
Fixed assets (Note 5)	2,122,185	1,421,451
TOTAL	$195,202,215	$202,557,324

Liabilities and Reserves

	1984	1983
Bank	$ 1,670,457	$ 1,478,277
Accounts payable	554,225	322,353
Class Funds, Exhibit 3	(13,687,882)	4,090,852
Reserves, Exhibit 2 (Note 7)		
Pension Fund	150,173,655	134,931,905
Future cost of existing claims	51,191,206	46,168,769
Equalization Fund	1,008,851	1,791,810
Second Injury Fund	2,398,463	6,460,750
Rehabilitation Fund	1,893,240	5,248,510
Rehabilitation Capital Fund	—	2,064,098
TOTAL	$195,202,215	$202,557,324

The accompanying notes are an integral part of these financial statements.

Statement of Reserves

for the year ended December 31, 1984

(with comparative figures for 1983)

	Pension Fund	Future Cost of Existing Claims	Equalization Fund	Second Injury Fund	Rehabilitation Fund	Rehabilitation Capital Fund	Class Funds (Exhibit 3)	Total 1984	Total 1983
Balance, beginning of year	$134,931,905	$46,168,769	$1,791,810	$6,460,750	$5,248,510	$2,064,098	$4,090,852	$200,756,694	$189,509,360
Additions:									
Assessments							49,813,218	49,813,218	38,179,897
Interest income	14,638,633	5,022,437	128,025	454,920	221,639	224,541	87,229	20,777,424	18,802,990
Other							354,453	354,453	239,059
Pension awards	15,444,125							15,444,125	13,906,199
Increase in pension awards provided under legislative change (Note 3)									23,825,475
From (to) other reserves and government subsidies (Note 6)					2,288,639	(2,288,639)	4,000,000	4,000,000	
	30,082,758	5,022,437	128,025	454,920	2,510,278	(2,064,098)	54,254,900	90,389,220	94,953,620
Deductions:									
Compensation			48,971	1,524,172			27,944,906	29,518,049	24,393,548
Medical aid			256,386	215,421			10,881,774	11,353,581	8,609,779
Rehabilitation			393	238,977	5,865,548		1,776,712	7,881,630	4,912,405
Pensions	14,841,008							14,841,008	12,489,033
TOTAL BENEFITS PAID	14,841,008		305,750	1,978,570	5,865,548		40,603,392	63,594,268	50,404,765
Pension awards			605,234	2,538,637			12,300,252	15,444,123	13,906,199
Amortization of pension increases (Note 3)									
— Principal							5,544,126	5,544,126	9,202,523
— Interest							3,208,224	3,208,224	1,538,084
Administration expenses and other charges, Exhibit 4							10,377,640	10,377,640	8,654,715
	14,841,008		910,984	4,517,207	5,865,548		72,033,634	98,168,381	83,706,286
Net change for the period	15,241,750	5,022,437	(782,959)	(4,062,287)	(3,355,270)	(2,064,098)	(17,778,734)	(7,779,161)	11,247,334
Balance, end of year	$150,173,655	$51,191,206	$1,008,851	$2,398,463	$1,893,240	—	($13,687,882)	$192,977,533	$200,756,694

The accompanying notes are an integral part of these financial statements.

EXHIBIT 3

Statement of Class Fund Operations

for the year ended December 31, 1984

(with comparative figures for 1983)

	Class "A"	Class "C"	Class "D"	Class "E"	Class "G"	Total 1984	Total 1983
Balance, beginning of year	$73,800	$269,373	($55,842)	$13,151	$3,790,370	$4,090,852	$23,173,570
Additions:							
Assessments	1,153,445	1,706,324	2,766,694	2,715,268	41,471,487	49,813,218	38,179,897
Interest income	(8,920)	(4,051)	(25,204)	(15,332)	140,736	87,229	2,183,999
Other		4,992	(2,330)	20,458	331,333	354,453	239,059
From (to) other reserves and government subsidies (Note 6)					4,000,000	4,000,000	1,502,579
	1,144,525	1,707,265	2,739,160	2,720,394	45,943,556	54,254,900	42,105,534
Deductions:							
Compensation	492,168	723,667	916,432	486,511	25,326,128	27,944,906	23,530,822
Medical aid	147,632	170,140	481,264	595,813	9,486,925	10,881,774	8,356,922
Rehabilitation	7,041	34,864	31,186	1,894	1,701,727	1,776,712	256,098
TOTAL BENEFITS PAID	646,841	928,671	1,428,882	1,084,218	36,514,780	40,603,392	32,143,842
Pension awards	139,127	616,317	858,253	418,026	10,268,529	12,300,252	9,939,151
Amortization of pension increases (Note 3)							
— Principal	163,266	181,429	312,732	155,621	4,731,078	5,544,126	8,912,460
— Interest	88,723	96,638	147,062	90,456	2,785,345	3,208,224	1,538,084
Administration expenses and other charges, Exhibit 4	126,850	191,542	452,796	783,783	8,822,669	10,377,640	8,654,715
	1,164,807	2,014,597	3,199,725	2,532,104	63,122,401	72,033,634	61,188,252
Net change for the period	(20,282)	(307,332)	(460,565)	188,290	(17,178,845)	(17,778,734)	(19,082,718)
Balance, end of year	$53,518	($37,959)	($516,407)	$201,441	($13,388,475)	($13,687,882)	$4,090,852

The accompanying notes are an integral part of these financial statements.

Administration Expenses and Other Charges

for the year ended December 31, 1984
(with comparative figures for 1983)

Administration Expenses

	1984	1983
Staff and service costs	$6.179.160	$5.578.264
Data Processing	997.207	104.680
Supplies and services	570.372	568.435
Communications	400.572	292.497
Building operations	281.288	371.441
Depreciation	188.786	117.365
Other	63.272	80.609
Professional fees	55.763	88.791
TOTAL ADMINISTRATION EXPENSES	8.736.420	7.202.082

Other Charges (Note 8)

	1984	1983
Charges under The Workplace Safety and Health Act	1.968.000	1.730.700
Expenses of Worker Advisors under Section 91 of The Workers Compensation Act	381.800	351.700
TOTAL OTHER CHARGES	2.349.800	2.082.400
LESS RECOVERIES FROM:		
The Government of Canada for administering its employees' compensation program	553.828	502.680
The Government of the Province of Manitoba for administering The Criminal Injuries Compensation Act	154.752	127.087
TOTAL RECOVERIES	708.580	629.767
TOTAL CHARGED TO CLASSES	$10.377.640	$8.654.715

The accompanying notes are an integral part of these financial statements.

EXHIBIT 5

Summary of Investments

as at December 31, 1984

(with comparative figures for 1983)

Bonds and debentures issued by, or guaranteed by, the following:	1984 Par Value	1984 Book Value	1983 Book Value
Government of Canada	$ 11,500,000	$ 11,443,932	$ 13,826,823
Province of Alberta	250,000	249,588	249,485
Province of British Columbia	1,035,000	1,032,446	1,031,299
Province of Manitoba	76,298,000	75,766,368	75,915,287
Province of Newfoundland	150,000	150,000	150,000
Province of Ontario	1,250,000	1,242,595	1,242,000
Province of Quebec	3,582,000	3,557,238	3,889,185
Province of Saskatchewan	250,000	149,768	143,872
Municipal Corporations	4,915,000	4,897,197	5,262,765
School Districts and Divisions	8,000	7,992	21,972
Hospitals	8,751,333	8,744,657	9,109,082
Corporations	8,264,000	7,364,152	7,296,854
	$116,253,333	$114,605,933	$118,138,624
Mortgages, National Housing Act (Canada)		32,629,932	33,149,460
Deposits with the Minister of Finance		16,519,888	14,954,162
TOTAL INVESTMENTS		$163,755,753	$166,242,246

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

for the year ended December 31, 1984

1. Assessments receivable consist of the following accounts:

	1984	1983
Assessments billed and outstanding	$359,086	$260,093
Less: Allowance for doubtful accounts	150,000	75,000
Assessments receivable, December 31	$209,086	$185,093

2. The $167,881 recoverable from the Government of Canada represents the balance receivable under the Government Employees Compensation Act (Canada). Under that Act accident claims of employees of the Government of Canada, usually employed in Manitoba, are administered by the Workers Compensation Board.

3. Amendments to The Workers Compensation Act have provided for increases in pension benefits with the cost of these increased benefits to be recovered from the general body of employers and self assurers over a seven year period from the effective date of the amendment. Details of the cost of these amendments are as follows:

	1983 Amendments	1981 and Earlier Amendments	Total
Cost of benefit increases	$23,825,475	$36,153,037	$59,978,512
Less: Charged to special funds	290,063	674,527	964,590
Balance chargeable to class funds	23,535,412	35,478,510	59,013,922
Recoveries, 1979 to 1983 inclusive	5,075,619	22,836,847	27,912,466
	18,459,793	12,641,663	31,101,456
Recoveries, 1984	2,347,662	3,196,464	5,544,126
Balance, December 31, 1984	$16,112,131	$9,445,199	$25,557,330

4. Investments are recorded at cost at the time of acquisition. Discounts or premiums are amortized on a straight-line basis over the term of the investment.

   Investment income is allocated to class funds, the pension fund and other reserve funds in accordance with the average monthly balance in each fund.

5. Fixed Assets are valued at cost less accumulated depreciation. The building is depreciated as provided under Section 78 (15) of The Workers Compensation Act. All other assets are depreciated on a straight line basis over the noted period:

Building Renovations	10 years
Automobiles	5 years
Furniture and Fixtures	5 years
Computer System Development	3 years

	Cost	Accumulated Depreciation	Balance As At December 31 1984	Balance As At December 31 1983
Building and additions	$1,572,298	$652,986	$ 919,312	$ 950,754
Building Renovations	229,168	22,918	206,250	—
Automobiles	38,372	15,349	23,023	30,697
Furniture and Fixtures	361,685	72,337	289,348	—
Computer System Development	821,103	136,851	684,252	440,000
	$3,022,626	$900,441	$2,122,185	$1,421,451

6. In 1984 the following adjustment was made in the reserve balances:

The Rehabilitation Capital Fund balance of $2,288,639 was transferred to the Rehabilitation Fund as there are no current plans for future rehabilitation facilities.

In 1984 a subsidy grant of $4,000,000 was received from the Province of Manitoba as provided under Section 59 of The Workers Compensation Act.

7. Reserves:

a) The Pension Fund is established to fund the estimated future disbursements for all pension awards which have been made.

An actuarial review of the Pension Plan was completed as at December 31, 1982 and confirmed the adequacy of the Reserve at that time. The next review of the adequacy of this reserve is planned for 1985.

b) The Future Cost of Existing Claims Fund represents the anticipated amount required to meet the future costs of claims reported in 1984 and earlier. An actuarial review in 1983 established the adequacy of this reserve.

c) The Equalization Fund is established to meet losses arising from any disaster or extraordinary circumstance.

d) The Second Injury Fund is provided to meet the cost of claims for workers suffering enhanced disabilities due to pre-existing conditions or disabilities.

e) The Rehabilitation Fund is provided to meet the cost of vocational training and other rehabilitation measures.

8. Under the provisions of The Workplace Safety and Health Act, the Province may pay the expenses incurred in the administration of that Act out of the Consolidated Fund and may recover such portion as may be determined from the accident fund under The Workers Compensation Act. For 1984 the amount charged under this provision was $1,968,000 (1983 - $1,730,700).

Also, under the provisions of Section 91 (3) of The Workers Compensation Act, the Province may pay the costs incurred in respect to Worker Advisors and may recover them from the accident fund. For 1984, the amount charged under this provision was $381,800 (1983 - $351,700).

9. In accordance with the provisions of the Manitoba Civil Service Superannuation Act, the Board contributes 50% of the pension disbursements made to retired employees. Such payments are charged to income as incurred and a provision is not made in the accounts to fund current or past service obligations of the Board to the Civil Service Superannuation Fund. On the basis of an actuarial report, the unfunded provision for the Board's employees amounted to approximately $354,500 as at December 31, 1983.

10. Certain prior year comparative figures have been reclassified to conform with the current year's presentation.